MARKET RELEASE – Wednesday, 20 August 2025

Spark New Zealand Limited FY25 Results

In accordance with the NZX Listing Rules, Spark New Zealand releases the following to the market in relation to Spark New Zealand Limited's FY25 results:

1. Market Release
2. Results Announcement
3. Distribution Notice
4. Annual Report
5. Investor Presentation
6. Detailed Financial Information
7. Annual Corporate Governance Statement
8. Modern Slavery and Human Rights Statement
9. Climate-related Disclosures Report

Spark New Zealand's Chief Executive, Jolie Hodson, and Chief Financial Officer, Stewart Taylor, will discuss the FY25 Results at 11:00am New Zealand time today.

The presentation can be accessed in two ways:

1. Live via webcast for all investors and analysts in "listen-only" mode

Use the following link to access the webcast and complete the details requested:
https://edge.media-server.com/mmc/p/ukdr3q4m

2. Live via conference call for analysts and investors who wish to ask questions in the call

Use the following link and register your name and email address
https://register-conf.media-server.com/register/BIc1090ab29e4742ab8c55999aa5590215
After registering you will be sent an email confirming the phone number you can use to dial into the call from your location, and a unique PIN number to grant you access.

Please note the webcast will be archived and made available for replay on Spark's Investor Centre Website: https://investors.sparknz.co.nz/Investor-Centre/

ASX Appendix 3A.1 will follow this release.

ENDS

Authorised by:
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Finance Lead Partner – Investor Relations & Commercial

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About Spark

As New Zealand's largest telecommunications and digital services company, Spark's purpose is to help all of New Zealand win big in a digital world. Spark provides mobile, broadband, and digital services to millions of New Zealanders and thousands of New Zealand businesses.
www.sparknz.co.nz

MARKET RELEASE – Wednesday, 20 August 2025

Spark announces FY25 results within updated guidance

- Delivering EBITDAI[i], capex, and FY25 dividend within updated guidance
  - Reported revenue[ii] of $3,725m declined 2.5%; adjusted revenue of $3,700m declined 4.2%
  - Reported EBITDAI of $1,053m declined 7.7%; adjusted EBITDAI of $1,060m declined 8.9%
  - Reported NPAT of $260m declined 17.7%; adjusted NPAT of $227m declined 33.6%
  - Final dividend of 12.5 cents per share declared, bringing total FY25 dividend to 25 cents per share[iii]
- Significant transformation on track – with portfolio management delivering $356m[iv] in proceeds from non-core asset divestments and cost reduction programme delivering $85m in H2 25 vs H2 24
- Sale of 75% stake in data centre business expected to deliver initial cash proceeds of ~$486m[v] at completion, while retained 25% stake supports long-term shareholder value creation
- New five-year strategy and capital management reset refocus Spark and its capital investment on its core connectivity business

Spark New Zealand (Spark) today announced its FY25 results within updated guidance, and a new five-year strategy and capital management reset that refocuses Spark on its core connectivity business.

Spark Chair Justine Smyth said, “The past year has been one of the most challenging periods in Spark’s history, as we navigated economic headwinds, materially lower customer spending, and ongoing structural change in some of our markets.

“Not all the challenges we faced were beyond our control, and at our AGM in November we outlined the significant transformation programme we would implement to improve performance. This included a renewed focus on our core business, a strategic review of non-core assets, an expanded cost-out programme, and a focus on realising value from our data centre business.

“We have made good progress since that time. We undertook a strategic review of non-core assets to recycle capital into our core business and reduce net debt. This culminated in the sale of our remaining stakes in Connexa and HTAL[vi], delivering combined proceeds of $356 million.

“To support the growth of our data centre business, we were pleased to announce we had entered into an agreement to sell a 75% interest to Pacific Equity Partners (PEP) in August. The agreement values the business at up to $705 million[vii], which represents a FY25 pro-forma EBITDA multiple of 30.8x[viii] and compares favourably to similar transactions.

“The combined $533 million[ix] that will be received in FY26 from the HTAL divestment and initial cash proceeds from the data centre transaction are expected to reduce our net debt/EBITDAI ratio by 0.5x to ~1.7x.

“This progress lays the groundwork for ongoing performance improvements in the years ahead and is further supported by the Board’s renewed commitment to disciplined capital management. The dividend guidance we provide each year will be tied to a new definition of free cash flow (FCF), which now incorporates changes in working capital and capital expenditure used to operate our core business.

“When these changes are applied to the year ahead, in FY26 we are guiding to free cash flow of $290-$330 million and a dividend payout ratio of 100% of FCF.

“Recognising the environment has changed significantly since we announced our SPK-26 strategy, the Board has approved a new five-year strategy that focuses Spark, and its capital investment, from a broader digital services ambition to its core business of connectivity. Our focus is returning Spark to its

history of stable annuity-like returns, with predictable free cash flow and growing dividends over time for our shareholders."

FY25 operating performance

Spark's FY25 financial results include reported and adjusted figures (see note to editors). Reported revenue of $3,725 million declined 2.5% on FY24, while adjusted revenue of $3,700 million declined 4.2%. Reported EBITDAI of $1,053 million declined 7.7%, while adjusted EBITDAI of $1,060 million declined 8.9%.

Reported NPAT of $260 million declined 17.7%, while adjusted NPAT of $227 million declined 33.6%. Free cash flow remained steady at $330 million despite reduced EBITDAI, as Spark reduced total capex by 17.2% to $429 million.

The Board declared a final dividend of 12.5 cents per share, to bring the total dividend in FY25 to 25 cents per share[x] – delivering on updated guidance and taking into account the return of some of the Connexa sale proceeds. Given the anticipated receipt of proceeds from the data centre transaction and subsequent reduction in net debt, the Dividend Reinvestment Plan has been suspended for the H2 FY25 dividend.

Mobile service revenue declined 2.3% to $987 million, driven by price competition in enterprise and government and consumer prepaid, and further impacted by the removal of an insurance product in consumer pay monthly, which will not reoccur in FY26.

Positively, consumer and SME pay monthly connections grew, and when the impact of insurance is excluded, second half ARPU – a measure of the revenue earned per customer – increased by around 3%. In enterprise and government, price competition continued to put pressure on ARPU, while the connection decline stabilised in the second half.

Broadband revenue stabilised, with a small decline of 0.8% to $608 million. Cloud revenues grew 4.4% to $235 million as public cloud uptake continued to increase, and IT services revenue declined 7.7% to $144 million in challenging economic conditions. Data centres revenue[xi] continued to grow, increasing 11.1% to $50 million.

The expanded cost-out programme delivered an $85 million reduction in costs in the second half of FY25, compared to the same period in FY24.

Commenting on the results, Spark CEO Jolie Hodson said, "We have taken decisive action to transform our business and cost base, with a particular focus on our core business of connectivity.

"Our connectivity products and solutions account for 80% of gross margins and given the scale of our mobile business it is our number one priority. While our overall mobile service revenue declined during FY25, performance is stabilising and improving into FY26, and we remain market leader by some distance.

"In our largest mobile segment, consumer pay monthly, connections and underlying ARPU are growing, and the mobile fleet reduction we experienced as businesses and government reduced workforces over the last year has now stabilised. We were also pleased to retain over 95% of our top 50 business customers, demonstrating the strength of our competitive advantage in the market.

"As we have focused on improving market momentum, we have also reshaped our business to deliver a more efficient operating model in the face of changing demand. This included the transformation of our IT and network operations through the establishment of four strategic partnerships with Nokia, Infosys, HPE, and Microsoft. This enables us to access the scale, capability, and innovation investment of these global businesses, to drive competitive advantage in New Zealand through the experiences we can deliver to our customers, at a better cost.

"It is important to acknowledge that undergoing a transformation of this scale has also brought significant change for our people. It is never easy to make changes that impact our teams, and we do not do so lightly. But to deliver a leaner, more competitive business, we have made the necessary choices to put Spark in a stronger position as we move into the years ahead."

SPK-30 Strategy

Spark released a summary of its new five-year business strategy, which builds on the FY25 transformation focus by refocusing Spark to its core business of connectivity from a broader digital services ambition. The strategy includes four key focus areas – growing core connectivity, simplifying and optimising beyond the core, and delivering a better network and better customer experiences. These priorities are enabled by a focus on people and culture, embedding technologies such as AI across Spark, disciplined financial management, and an enduring commitment to sustainability.

Jolie continued "In an increasingly digital world, our products are only becoming more important and more relevant for New Zealanders and businesses. Customer use of data continues to grow every year, AI and digital transformation for productivity and efficiency gains remains an investment priority across the public and private sectors, and we approach these opportunities with a brand that is the most trusted in our sector[xii].

"Our ambition over the next five years is 'It's better with Spark'. Whether it's the returns we deliver to our shareholders, our network performance, our customer experiences, or the culture we create with our people – we want it to be better with Spark.

"Our market focus is on our core of connectivity – which includes mobile and broadband in the consumer and SME market, as well as additional connectivity services in the business market, such as managed data and networks, collaboration, and IoT.

"In adjacent segments – such as cloud and IT service management – we will simplify and optimise the services we provide, transition legacy products to more modern solutions, introduce greater levels of AI and automation, and leverage our new global partnerships to improve customer experiences and efficiency.

"We will continue to invest in delivering a reliable and trusted network that is there when it matters for our customers. We are adding satellite-to-mobile services in the second half, and we can leverage the lead we have on 5G Standalone investment to bring new capabilities and monetisation opportunities to the market.

"Our focus on productivity continues with our multi-year programme lifting our cost discipline and efficiency, as we introduce new technologies, partnerships, and further simplify our business.

"Our business fundamentals remain strong. We are the market leader in mobile and broadband, our customer satisfaction has increased five years running, and we have the most reliable mobile network, with the widest coverage experience in the country[xiii]. We move into this next chapter with renewed determination, to deliver more for our customers, our people, and our shareholders."

Spark will release details of its five-year strategy covering the period FY26-FY30 at an Investor Strategy Briefing on 11 September 2025.

FY26 guidance

Spark provided the following guidance for FY26, subject to no adverse change in operating outlook. FY26 guidance deconsolidates data centres from H2 26.

- **Adjusted EBITDAI:** $1,010-$1,070 million (excluding any gain on sale from the data centre transaction)
- **Free cash flow:** $290-$330 million
- **BAU capital expenditure:** $380-$410 million
- **Strategic capital expenditure (data centres):** $50-$70 million[xiv]
- **Dividend payout ratio:** 100% of FY26 free cash flow

Authorised by:
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Finance Lead Partner – Investor Relations and Commercial

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Note to editors:

Spark's FY25 financial results include reported and adjusted figures:

Reported
Reported revenue and EBITDAI exclude the data centre business, which is classified as a discontinuing operation; and include the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme.

Adjusted
Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. This provides a like-for-like, year-on-year performance comparison.

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[i] Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's Annual Report.
[ii] Operating revenues and other gains
[iii] 75% imputed
[iv] $309 million from Connexa transaction (net of transaction costs), $47 million from HTAL transaction received 17 July 2025
[v] Final net proceeds subject to completion adjustments
[vi] Hutchison Telecommunications (Australia) Limited
[vii] Headline enterprise value comprising base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value
[viii] Assumes FY25PF EBITDA of $22.9m for Spark data centre business within the transaction perimeter
[ix] $47 million from from HTAL transaction received 17 July 2025, initial cash proceeds of ~$486 million from data centre transaction to be received at completion – final net proceeds subject to completion adjustments
[x] 75% imputed
[xi] Data centres like-for-like revenue changed from previous reporting as Data Centres previously reported under Cloud and those branded CCL were consolidated. Data centres revenue includes both continuing and discontinuing operations.
[xii] TRA brand reputation monitor April – June 2025
[xiii] Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited
[xiv] Assumes a transaction completion date of 31 December 2025. The transaction is subject to regulatory and customary consents including Overseas Investment Office approval.

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Spark New Zealand Limited	
Reporting Period	12 months to 30 June 2025	
Previous Reporting Period	12 months to 30 June 2024	
Currency	NZD - New Zealand Dollar	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	NZD$3,725,000	(2.5%)
Total Revenue	NZD$3,771,000[1]	(2.3%)
Net profit/(loss) from continuing operations	NZD$252,000	(19.0%)
Total net profit/(loss)	NZD$260,000	(17.7%)
Interim/Final Dividend		
Amount per Quoted Equity Security	NZD$0.12500000 (comprised only of an ordinary dividend)	
Imputed amount per Quoted Equity Security	NZD$0.03645833	
Record Date	10 September 2025	
Dividend Payment Date	03 October 2025	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	As at 30 June 2025: NZD$0.38	As at 30 June 2024: NZD$0.41
A brief explanation of any of the figures above necessary to enable the figures to be understood	In FY25, the data centre business has been classified as a discontinuing operation and its results are included in the total revenue and total net profit/(loss). Changes in Spark's total earnings from continuing and discontinuing operations before finance income and expense, income tax, depreciation, amortisation and net investment income (adjusted total EBITDAI) are provided in the addendum.	
Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon Finance Lead Partner – Investor Relations & Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	20 August 2025	

Audited financial statements accompany this announcement.

Addendum:

	Amount (000s)	Percentage change
Adjusted total EBITDAI (adjusted total earnings from continuing and discontinuing operations before finance income and expense, income tax, depreciation, amortisation and net investment income) [2]	NZD$1,060,000	(8.9%)

[1] Total Revenue includes revenue from continuing and discontinuing operations.
[2] Adjustments in the FY25 adjusted earnings from continuing and discontinuing operations before finance income and expense, income tax, depreciation, amortisation and net investment income (adjusted total EBITDAI) reflected the impact of the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts (nil FY24). Adjusted total EBITDAI is a non-GAAP measure which is defined and reconciled in note 2.5 of Spark's financial statements.

Distribution Notice

Section 1: Issuer information				
Name of issuer	Spark New Zealand Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	SPK			
ISIN (If unknown, check on NZX website)	NZ TELE0001S4			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies	No		
Record date	10 September 2025 AUST, NZ & USA;			
Ex-Date (one business day before the Record Date)	09 September 2025 AUST, NZ & USA;			
Payment date (and allotment date for DRP)	03 October 2025 AUST & NZ; 13 October 2025 USA			
Total monies associated with the distribution	NZD$236,165,313 (1,889,322,507 shares @ $0.125 per share)			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD – New Zealand Dollar			
Section 2: Distribution amounts per financial product				
Gross distribution	NZD$0.16145833			
Gross taxable amount	NZD$0.16145833			
Total cash distribution	NZD$0.12500000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	NZD$0.01654412			
Section 3: Imputation credits and Resident Withholding Tax				
Is the distribution imputed	~~Fully imputed~~			
	Partial imputation			
	~~No imputation~~			
If fully or partially imputed, please state imputation rate as % applied[1]	23%			
Imputation tax credits per financial product	NZD$0.03645833			

[1] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

Resident Withholding Tax per financial product	NZD$0.01682292	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	N/A	
Start date and end date for determining market price for DRP		
Date strike price to be announced (if not available at this time)		
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)		
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms		
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon, Finance Lead Partner - Investor Relations and Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	20 August 2025	

Spark nz
hello tomorrow

Spark Annual Report FY25

Contents

Hello tomorrow

Financial statements

Appendix

About this report

- This report covers the activities of Spark New Zealand Limited and its subsidiaries for the period 1 July 2024 to 30 June 2025.
- This is an integrated report that covers our financial performance alongside the economic, social, and environmental factors that underpin our short, medium, and long-term value creation for our shareholders and other stakeholders.
- To inform our approach we have applied the International <IR> Framework and the Global Reporting Initiative (GRI) standards, two widely adopted global reporting standards. See pages 126 – 129 for more information on our approach to sustainability reporting.
- This Annual Report is published alongside a suite of other disclosures, including our Corporate Governance Statement, Climate-related Disclosures Report, Modern Slavery and Human Rights Statement, and Environmental, Social and Governance (ESG) Data Pack.
- For the full suite of FY25 disclosures please visit spark.co.nz/governance

- This report is dated 20 August 2025 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair; and Gordon MacLeod, Chair Audit and Risk Management Committee.

Justine Smyth CNZM
Chair

Gordon MacLeod
Chair Audit and Risk Management Committee

Key dates

Investor Strategy Briefing
11 September 2025

Annual Meeting
7 November 2025

FY26 half-year results announcement
27 February 2026

FY26 year-end results announcement
21 August 2026

About Spark

Spark is New Zealand's largest telecommunications company. Our customers range from individual New Zealanders and households to small businesses, government, and large enterprise clients. Across all our services – mobile, broadband, digital services, and digital infrastructure – we have relevance for almost every New Zealander.

#1

Market share
in mobile and broadband[1]

Most reliable mobile network
with the widest coverage experience[2]

2.6m+
mobile connections

1. IDC New Zealand mobile market share report as at 30 June 2025.
2. Opensignal Awards – **New Zealand: Mobile Network Experience Report, September 2024**, based on independent analysis of mobile measurements recorded during the period June 1 - August 29, 2024 © 2024 Opensignal Limited.
3. Total headcount as of 30 June 2025. Spark FTE (full time employee) number is 3,847 as of 30 June 2025.
4. Towns with a population over 1,500.
5. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2025.

660k+
broadband connections

59
retail stores

99%
of New Zealanders reached by our 4G network

110k+
small-medium business customers

24
regional business hubs

50%+
of the population reached by our 5G network[4]

1,100+
enterprise and government customers

4,043
employees[3]

2,262
mobile sites housing our active infrastructure[5]

+40
customer net promoter score

23MW
Over 23MW data centre capacity

2.37m+
devices connected to our Internet of Things (IoT) network

Performance snapshot

Reported operating revenues and other gains[1]

$3,725m

2.5% decrease vs FY24

Adjusted operating revenues and other gains[2]

$3,700m

4.2% decrease vs FY24

Reported EBITDAI[1,3]

$1,053m

7.7% decrease vs FY24

Adjusted EBITDAI[2,3]

$1,060m

8.9% decrease vs FY24

Reported net earnings[4]

$260m

17.7% decrease vs FY24

Adjusted net earnings[2]

$227m

33.6% decrease vs FY24

Mobile service revenue

$987m

2.3% decrease vs FY24

Broadband revenue

$608m

0.8% decrease vs FY24

IT revenue[5]

$666m

2.6% decrease vs FY24

Data centre revenue[5,6]

$50m

11.1% increase vs FY24

1. Reported revenue and EBITDAI excludes the results of the data centre business which has been classified as a discontinuing operation in the financial statements.
2. Adjusted numbers in FY25 include the impacts of removing the $71 million gain on sale of the remaining investment in Connexa, and the $53 million transformation costs associated with Spark's SPK-26 Operate Programme and any associated tax impacts. They also include the results of the data centre business for both years which has been classified as a discontinuing operation in the financial statements. The prior year net earnings has been adjusted for the $26 million impact of the government change to tax depreciation rules for buildings.
3. Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of the financial statements.
4. Reported net earnings includes earnings from both continuing and discontinuing operations.
5. The prior year IT revenue and data centre revenue has been restated to more accurately reflect how these products are viewed.
6. Data centre revenue includes both continuing ($4 million) and discontinuing operations ($46 million).
7. Free cash flow is a non-GAAP measure and is defined on page 7 of Spark's FY25 Detailed Financials.
8. Reported return on invested capital (ROIC) is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinuing operations) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity).

Adjusted free cash flow[7]

$330m

no change vs FY24

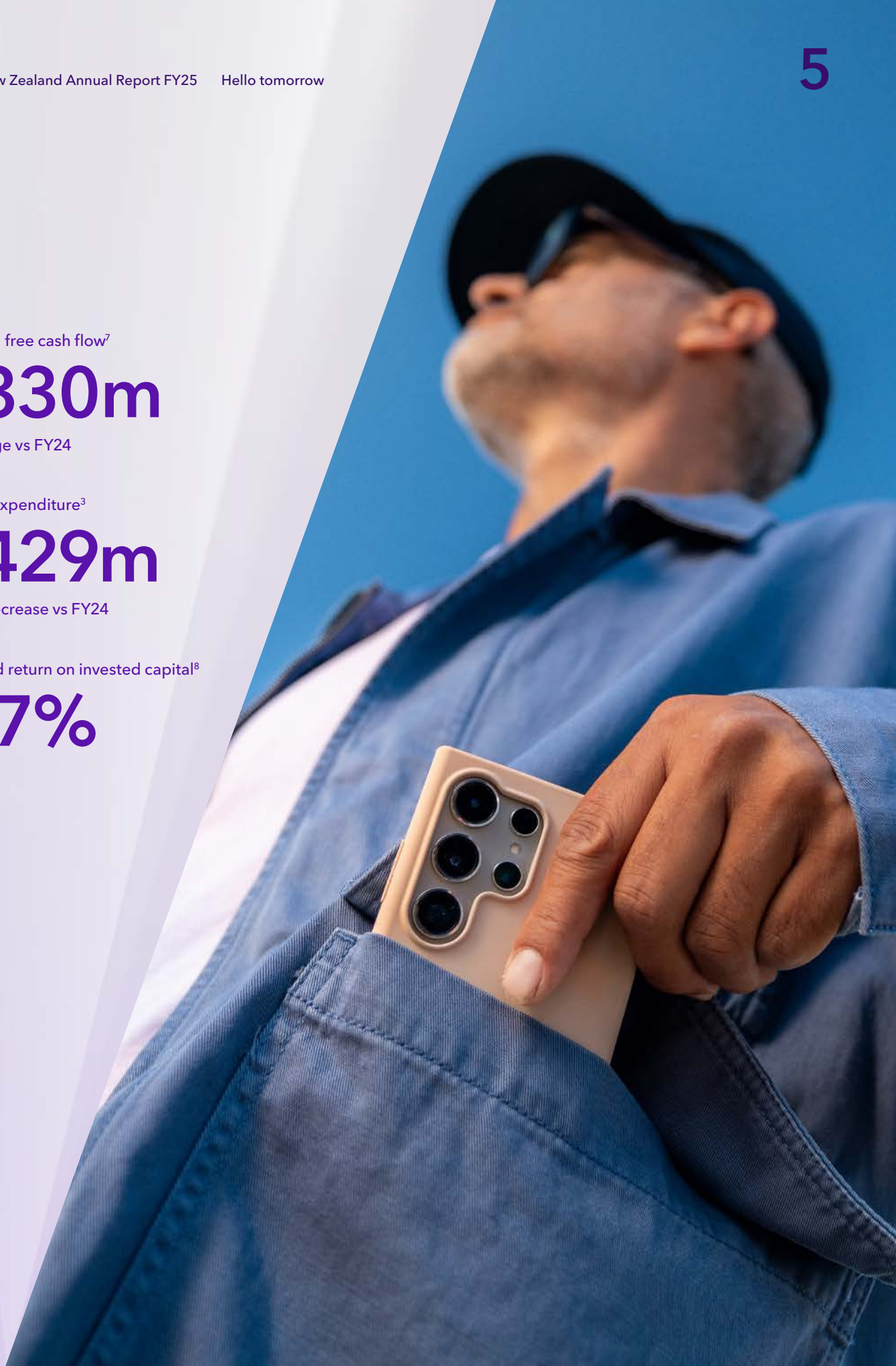
Capital expenditure[3]

$429m

17.2% decrease vs FY24

Reported return on invested capital[8]

8.7%



Chair's address

Justine Smyth
CNZM

Tēnā koutou,

The past financial year has been one of the most challenging periods in Spark's history, as we navigated economic headwinds, materially lower customer spending, and ongoing structural change in some of our markets. We acknowledge that not all the challenges we faced were beyond our control and understand our shareholders will rightly be concerned by our performance over the past year.

At our AGM in November, I outlined the action we would take to stabilise performance. Good progress has been made against these priorities since that time, and we have also reviewed Spark's future strategy and capital management settings to improve shareholder returns over the long term.

Transforming today, for a stronger tomorrow

Through our transformation programme we have taken decisive action in four key areas – refocusing Spark on our core business of connectivity, simplifying our portfolio by divesting non-core assets, expanding our cost-reduction programme, and generating value through our data centre strategy.

Connectivity is at the heart of Spark. Our connectivity services across the consumer, SME, and business markets account for 80% of gross margins. This is why we have renewed our focus on our core, and in particular building momentum in the mobile market.

To support this focus and recycle capital into our core business, we undertook a strategic review of non-core assets. This culminated in the sale of our remaining stakes in Connexa and Hutchison Telecommunications (Australia) Limited, delivering combined proceeds of $356 million.

Our expanded cost-out programme introduced four new global partnerships into our network and IT operations, which enables us to improve customer experiences while underpinning significant cost reductions.

To support the growth of our data centre business, we commenced a process during the year to identify a capital partner. At the start of August, we announced we had entered into an agreement to sell a 75% interest in our data centre business to Pacific Equity Partners (PEP)[1] – valuing the business at up to $705 million[2] and securing a funding pathway to build out our planned 130MW+ development pipeline.

PEP is one of Australia's leading private capital managers, with a strong track record of growing businesses across New Zealand and Australia. Through this partnership we will realise value for our data centre assets in the short term, while also continuing to participate in the growing market through our 25% retained stake – creating further value for our shareholders over the long term.

The Board declared a final dividend in August 2025 of 12.5 cents per share, to bring the total FY25 dividend to 25 cents per share – delivering on updated guidance and taking into account the return of some of the Connexa sale proceeds.

Finally, our return on invested capital (ROIC)[3] in FY25 of 8.7% was in excess of our cost of capital and continues to outperform the majority of our global peers.

Resetting capital management for long-term shareholder value

As part of our transformation focus, the Board undertook a review of Spark's capital management settings to maximise shareholder value. Our updated Capital Management Framework has three core focus areas – maintaining financial strength, ensuring an appropriate return on our investments, and sustainable shareholder returns.

From FY26, we have made changes to our Dividend Policy to support a sustainable dividend funded by free cash flow (FCF). Our definition of FCF now includes changes in working capital and capital expenditure used to operate our core business. Moving forward, the only capital expenditure excluded from FCF will be spectrum and strategic investments outside our core business, such as data centres. We have also changed our target dividend payout ratio to 70–100% of FCF, to provide flexibility if needed in the future.

In practice, this means the dividend guidance we provide each year will be tied to forecast free cash flows, which will also be included within guidance. In FY26 we are guiding to free cash flow of $290–$330 million and a dividend payout ratio of 100%.

Board renewal

In a year of significant change for Spark we have also taken the opportunity to undertake Board renewal, with three new independent, non-executive directors joining in FY26, which will bring further depth and breadth to an already experienced board. Lindsay Wright, Vince Hawksworth, and Tarek Robbiati bring broad governance and senior management experience, and deep sector knowledge across the telecommunications, capital markets, infrastructure investment, and retail customer sectors.

Gordon MacLeod and Sheridan Broadbent will retire from the Board during FY26 and I would like to thank them both for the significant contribution they have made over the past three years and wish them every success in the future.

Looking to the future

As we look ahead, we are firmly focused on returning Spark to topline growth and improving shareholder returns. Recognising the market has changed significantly since we announced our SPK-26 strategy, the Board has approved a new five-year strategy that refocuses Spark from an ambition to become a broader digital services business to its core of connectivity.

Through this new strategy our ambition is to deliver stable annuity-like returns, with sustainable free cash flow funding a growing dividend profile over time.

Your Board and Management remain committed to realising these ambitions in the years ahead and thank you for your continued support.

Ngā mihi

Justine Smyth CNZM
Chair

1. Transaction subject to regulatory and customary consents.
2. Headline enterprise value comprising base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value.
3. ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinuing operations) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity). Peers are comparable telecommunications companies.

CEO review

Jolie Hodson
MNZM

Tēnā koutou,

Over the past year, like many businesses across New Zealand, we have continued to experience the impacts of a recessionary environment, felt more acutely due to our exposure to the enterprise and government markets through our scale IT business.

We completed FY25 with adjusted EBITDAI[1] of $1,060 million, in line with revised guidance but down 8.9% on FY24. Adjusted NPAT of $227 million was down 33.6%. Free cash flow of $330 million was the same as in FY24 despite lower earnings, as we reduced total capex by 17.2% to $429 million.

While we are not immune to economic volatility, we accept responsibility for our performance and have undertaken a significant transformation programme to reset the business and leverage our strong foundations. We are making good progress, laying the groundwork for ongoing performance improvements in the years ahead.

Refocusing on our core of connectivity

Connectivity is our core business, with mobile alone contributing over half of our group gross margin – making this our number one priority.

Our overall mobile service revenue reduced during the year, driven primarily by the removal of an insurance product in consumer, aggressive pricing and reducing workforces in the enterprise and government segment, and more competition in consumer prepaid. Positively in consumer and SME pay monthly (the largest part of the market) connections grew and when we exclude the one-off impact of insurance, ARPU – our measure of the revenue we earn per customer – increased by around 3% in the second half.

The prepaid market was tougher and is characterised by more competition in the value segments of the market. Here we saw connections decline, while our December plan refresh and price increases maintained ARPU.

Enterprise and government comprises around 10% of our mobile service revenues, and while price competition continues to put pressure on ARPU, we were pleased to see the connection decline stabilise in the second half.

We have implemented a significant programme of activity that is driving momentum into FY26 – including new high data plans, brand campaigns, and new price points across the market. This is moving the dial – with our market share stabilising in the fourth quarter and Spark remaining #1 mobile provider[2] by some distance, with 42% total market share.

We were also pleased to be named 'New Zealand's most reliable mobile network with the widest coverage experience' in The New Zealand Mobile Network Experience Report, released by Opensignal[3] during the year. This recognises the significant and sustained investment we make into our network each year, which underpins our most valuable market.

Transforming our cost base and technology delivery model

As we expanded the focus of our cost-reduction programme, we undertook a significant organisational redesign to align our business to our new transformation priorities, and to simplify our

enterprise and government division in the face of changing market demand. We integrated our cloud and data and AI subsidiaries into Spark to create a more efficient operating model and connected experience for our customers, improved utilisation, and undertook a simplification programme across our product portfolio.

We also transformed our technology delivery model, which refers to how we operate our IT and network functions across the business.

When we looked at our global peers, many had already moved to new partnership models in these areas of their businesses. Their experience showed that a partnership model would not only enable greater efficiency by leveraging existing global resources, but also create better customer experiences by tapping into the considerable investments these companies make into new products, services, and technologies.

Our new technology delivery model includes four key partnerships – Nokia in network, Infosys and HPE in IT, and Microsoft in cloud. Our network partnership with Nokia will enable us to accelerate our use of AI and automation in our network for better customer experiences, while delivering network operations more efficiently. Our IT partnership with Infosys will help us deliver digital and AI-driven customer experiences more quickly, while our IT partnership with HPE will ensure that our IT environments are continuously updated in line with advancements in technology. Finally, our cloud partnership with Microsoft will support us to continue providing compelling hybrid cloud options for our customers, while modernising our own cloud environment and improving overall cloud margins.

Undertaking a transformation of this scale has brought significant change for our people. It is never easy to make changes that impact our teams, and we do not do so lightly. But to deliver a leaner, more competitive business in a changing market, we have had to make tough but necessary choices to set Spark up for future growth, and to ensure our cost base is sustainable.

We also continued to invest in our artificial intelligence (AI) capability, which is leading in New Zealand. The AI tools we are implementing are improving the productivity of our people and delivering tangible benefits for our customers – such as shorter wait times in our call centres and faster identification and resolution of network issues. With the acceleration of agentic AI, and the capability of our global partners, we will continue to expand this capability to underpin both cost and experience improvements in FY26.

Overall, we delivered an $85 million reduction in costs in the second half of FY25, compared to the same period in FY24.

This has helped ensure we are in a stronger position as we move into FY26, and as we embark on our new five-year strategy.

Our new five-year strategy

In an increasingly digital world, our products and solutions are only becoming more important and more relevant for New Zealanders and businesses. Customer data use continues to grow every year, data centre capacity demand is growing off the back of strong AI and cloud uptake, and digital transformation for productivity and efficiency gains remains an investment priority across the public and private sectors.

Our SPK-30 strategy takes a long-term view, recognising the scale and pace of technological change that is reshaping customer expectations, ways of working, and the products and services we offer. This longer time frame provides our shareholders with clarity around Spark's strategic priorities, and where we will invest to differentiate Spark from our competitors.

At the heart of our strategy is our ambition, *It's better with Spark*. Spark has a proud history in New Zealand – we are the country's largest telecommunications provider, we make significant investments into connectivity every year, and our brand is the most trusted in our sector nationally[4]. Our customers are at the centre of everything we do, and we are proud to have improved customer satisfaction five years running. Over the next five years our ambition is clear – whether it's our network performance, our customer experiences, or the workplace culture we create with our people – we want it to be better with Spark.

Where we focus our investment is also clearly defined through this new strategy. Our focus is on our core of connectivity – which includes mobile and broadband in the consumer and SME market, as well as additional connectivity services in the business market, such as managed data and networks, collaboration, and IoT.

To enable a greater focus on core connectivity, in adjacent segments – such as cloud and IT service management – we will simplify our operations and optimise the margin contribution of these businesses by leveraging greater levels of AI and automation, and our new global partnerships.

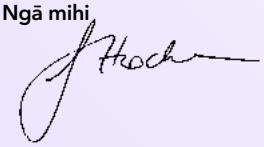
Underpinning these focus areas are four key enablers – people and culture, embedding technologies such as automation and AI within our operations, cost and financial discipline, and our ongoing commitment to sustainability.

Guided by our new strategy, we move into FY26 with renewed determination to return Spark to its history of stable performance, and deliver globally competitive shareholder returns.

In closing I would like to acknowledge our Spark people, who have experienced a year of significant change as we have transformed our business and thank our teams for the support they provide to our customers each and every day.

And to you, our shareholders – we thank you for your continued support.

Ngā mihi



Jolie Hodson MNZM
CEO

1. Our FY25 financial results have been split into reported and adjusted numbers. Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. This provides a like-for-like, year-on-year performance comparison.
2. Market share estimates sourced from IDC as at 30 June 2025.
3. Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.
4. TRA brand reputation monitor April – June 2025.

How we create value

INPUTS

What we rely on to operate our business

Finance
Strong balance sheet

People
Skilled, engaged and effective teams

Partnerships
Global and local partnerships that strengthen and broaden our capability

Network & Technology
Our mobile and fixed networks, technology, and data centres

Nature
Energy, water, materials, and land we use in our operations

Relationships
With customers, suppliers, communities and stakeholders

OUR BUSINESS MODEL

How we use these inputs to create outputs and outcomes

OUR PURPOSE

To help all of New Zealand win big in a digital world

UNDERPINNED BY STRONG GOVERNANCE AND OUR VALUES

Whakamana (We empower)
Matomato (We succeed together)
Tūhono (We connect)
Māia (We are bold)

OUTPUTS

What we aim to create

- Financial growth and shareholder returns
- Skilled, safe and diverse workforce
- Resilient, automated and adaptive network and technology
- Reliable connectivity for our customers
- Reduced use of natural resources
- Improved customer experience, digital equity, and supply chain practices

OUTCOMES

The benefits of these outputs

- Creating value for shareholders
  See pages 12 – 15
- Employment and skill development
  See page 40
- Connected New Zealand and resilient digital economy
  See page 28
- Connected and enabled New Zealanders
  See page 24
- Protecting the environment and supporting New Zealand's decarbonisation
  See page 32
- Better customer experience, social outcomes, and participation
  See page 24 and 36

Creating value for shareholders

Transforming today, for a stronger tomorrow

We recognise our performance has not met shareholders expectations in FY25, and we remain focused on transforming our business to improve shareholder returns in the years ahead.

The recessionary economic environment in New Zealand created a challenging operating environment for Spark throughout FY25. Lower consumer spending resulted in higher levels of price competition in the market, while materially lower government and business spending reduced demand in Spark's IT business.

As businesses reduced workforces this also flowed through to lower numbers of mobiles needed for employees.

At the same time, we continued to experience structural changes in some of our markets and performance was not where it needed to be in others – and we take responsibility for this. This was a year of facing into those challenges, setting a plan for immediate transformation, and a strategy for the years ahead.

Our strong fundamentals and position in the telecommunications sector remain. Spark has New Zealand's most reliable mobile network, with the widest coverage experience in the country[1]. We are the market leader in the growing mobile market (leading the consumer segment in pay monthly and prepaid connections), in broadband, and in the SME and enterprise and government segments.

As New Zealand continues to digitise, our products and solutions are only becoming more important and relevant. New Zealanders continue to use more data every year, data centre growth is strong, and digital transformation remains an investment priority for businesses, and we approach these opportunities with a brand that is the most trusted in our sector[2] nationally.

1. Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.
2. TRA brand reputation monitor April – June 2025.

During FY25 we established four strategic priorities to transform our performance:

Market momentum in our telco core

We renewed our focus on our core business, with a particular focus on our market of mobile, to build momentum and strengthen our market leadership. While the mobile market was challenging in FY25, this renewed focus has improved performance as we move into FY26 – with ARPU growth in consumer (our measure of how much revenue we earn from each customer), connection stabilisation in enterprise and government, and Spark stabilising its market share[3] in the fourth quarter.

Simplified portfolio

We reviewed non-core assets to consider if Spark remained the best owner, or if greater shareholder value could be created from divestment. This culminated in the divestment of our Connexa and HTAL[4] shareholdings, generating combined proceeds of $356 million[5].

In our enterprise and government division, we undertook a significant simplification programme focused on integrating subsidiaries into Spark and product rationalisation for improved customer outcomes.

Transformed cost base

We transformed our IT delivery model, which refers to how we operate our network and IT at Spark, through the formation of four strategic global partnerships – with Microsoft, Nokia, Infosys and HPE. We are leveraging the scale and capability of these partners to augment our own expertise and deliver efficiency and customer experience improvements.

Combined with a review of our broader Spark operating model, our workforce reduced by approximately 1,300 full-time employees at the end of FY25. This reduction in labour costs, combined with other reductions in opex and product costs, supported savings of $85 million in the second half of FY25 compared to the same period in FY24.

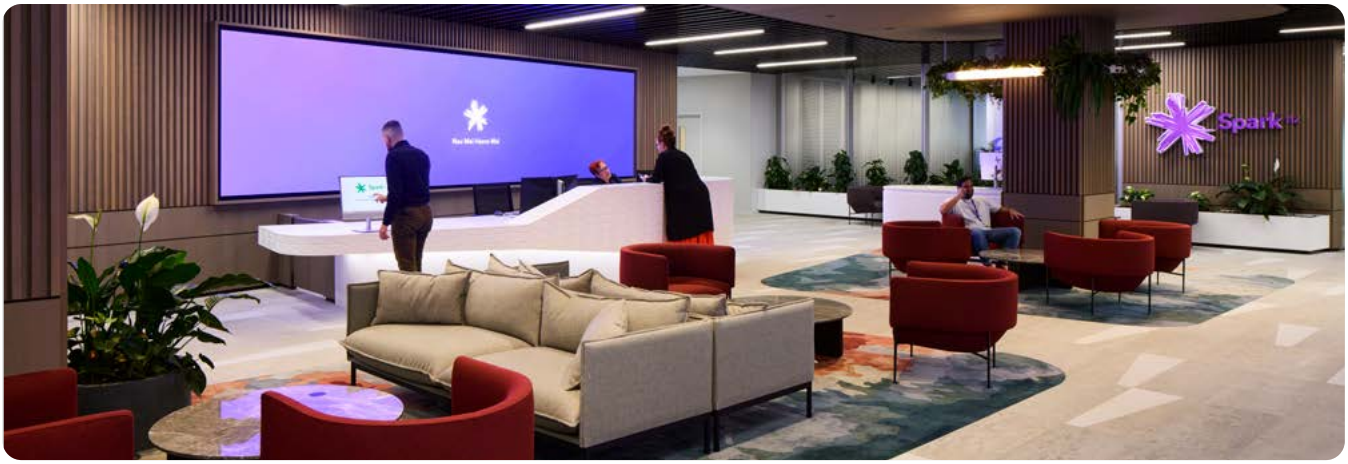
Generating value through our data centre strategy

We undertook a process to identify a capital partner for our data centre business, to enable Spark shareholders to benefit from this rapidly growing sector in the long-term, without shouldering the full capital investment required.

This culminated in an agreement to sell a 75% interest in our data centre business to Pacific Equity Partners (PEP)[6] – valuing the business at up to $705 million[7] and securing a funding pathway to build out our planned 130MW+ development pipeline.

Through this partnership we will realise value for our data centre assets in the short term, while also continuing to participate in the growing market through our 25% retained stake – creating further value for our shareholders over the long term.

3. Market share estimates sourced from IDC as at 30 June 2025.
4. Hutchison Telecommunications (Australia) Limited (HTAL).
5. $309 million from Connexa transaction (net of transaction costs), $47 million from Hutchison Telecommunications (Australia) Limited (HTAL) transaction received 17 July 2025.
6. Transaction subject to regulatory and customary consents.
7. Headline enterprise value comprising base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value.



Resetting capital management

In line with our transformation focus, the Board undertook a review of Spark's capital management settings, to consider shareholder value creation in the context of current market performance and Spark's future strategic priorities. The key components of the new Capital Management Framework include:

To maintain **financial strength**, we are focused on a strong balance sheet, and targeting metrics consistent with our current credit rating.

When considering **investment and portfolio management**, investments and M&A for growth must meet our hurdle rates – which include being net present value (NPV) positive, with ROIC greater than the cost of capital. New definitions of capex have also been introduced – with BAU capex covering all capital investment in our core business (with the exception of spectrum), and strategic capex including any capital investment outside the core business, such as data centres. A long-run target of capex to revenue of 10–12% has been maintained.

To **deliver sustainable shareholder returns**, Spark's Dividend Policy has been updated. The dividend guidance we provide each year will be tied to a new definition of free cash flow (FCF), which now incorporates changes in working capital and capital expenditure used to operate our core business. Moving forward, the only capital expenditure excluded from FCF will be spectrum and strategic investments outside our core business. We have also changed our target dividend payout ratio to 70-100% of FCF, to provide flexibility if needed in the future.

When applied to FY26, we are guiding to FCF of $290–$330 million and a dividend payout ratio of 100% of FCF.

Looking to the future

Overall good progress has been made, but more must follow.

We move into FY26 with a new five-year strategy that builds on our transformation focus and is designed to return Spark to its history of stable performance, while maintaining globally competitive shareholder returns.

Our vision is *It's better with Spark*. Better for our shareholders, better for our customers, better for our people, and better for New Zealand as a whole. This speaks to our ambition to maintain and grow our leadership position in the market, grounded in the things that matter to our customers – delivering a better network, and better customer experiences.

Our focus is on our core of connectivity – which includes mobile and broadband in the consumer and SME market, as well as additional connectivity services in the business market, such as managed data and networks, collaboration, and IoT. In segments beyond the core, we will simplify and optimise our business to improve margins while continuing to deliver great experiences for our customers.

Our new strategic plan is shared on the following page. Across the remainder of this report, we outline our financial and non-financial performance across a range of areas that support our success in the marketplace and therefore shareholder returns. This includes how we serve our customers, how we invest in our network and technology, how we reduce our impact on the environment, how we maintain our licence to operate with our communities, and how we invest in our employees.

SPK-30 Strategy

Our Purpose

To help all of New Zealand win big in a digital world

Our Ambition

It's better with Spark

Better network

Better customer experiences

Our Strategic Choices

1. Lead in core connectivity
2. Simplify and optimise beyond the core

Our Enablers

People and culture

Technology and AI

Financial discipline

Sustainable Spark

Our performance

Reported EBITDAI[1,2]
$1,053m
7.7% decrease vs FY24

Reported net earnings[3]
$260m
17.7% decrease vs FY24

Reported basic earnings per share[3]
14.0 cents
19.1% decrease vs FY24

Adjusted EBITDAI[1,4]
$1,060m
8.9% decrease vs FY24

Adjusted net earnings[1,4]
$227m
33.6% decrease vs FY24

Adjusted basic earnings per share[4]
12.3 cents
34.2% decrease vs FY24

Dividends per share[5]
25.0 cents

Reported and adjusted results

Spark's FY25 financial results include reported and adjusted figures. Reported EBITDAI includes continuing operations and removes the results of the data centre business, which is classified as a discontinuing operation. This means data centre net earnings are disclosed separately in the Financial Statements. Adjusted numbers include the results of the data centre business, remove the $71m gain on sale from the Connexa stake and the $53 million of transformation costs in FY25, and in FY24 remove the $26 million impact of the government change to tax depreciation rules for buildings. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's Detailed Financials.

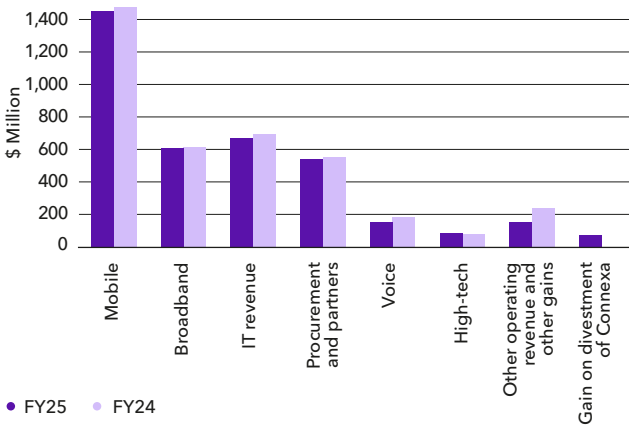
Operating revenues and other gains

$3,725m
reported (down 2.5%)

$3,700m
adjusted (down 4.2%)

Reported revenues[2]

- Mobile service revenue reduced $23 million or 2.3%. This was driven by continued price pressure in enterprise and government and consumer prepaid, the removal of a Spark-owned insurance product in consumer pay monthly. Non-service revenue increased $2 million, or 0.4%, with an uplift in wholesale device sales largely offset by lower volumes of handset and accessories sales in the consumer market.
- Within mobile, consumer and SME pay monthly connections grew 0.5%, while ARPUs declined 0.6pp – impacted by the reduction in insurance revenue, which will not reoccur in FY26. Excluding the impact of insurance, H2 ARPU increased 3%. In consumer prepaid, connections declined 5.2% while ARPU grew 0.7%, as new offers were introduced. In enterprise and government, ARPU declined 13.9%, however the reduction in H2 improved on H1. Connections declined 1.9% and stabilised in H2.
- Broadband revenue declined $5 million, or 0.8%, with the benefit of price increases offset by a decline in broadband connections of 26,000, or 3.8%, in a highly competitive market.
- IT revenue declined $18 million, or 2.6%. Continued uptake of public cloud drove cloud revenue growth of $10 million, or 4.4%, which was more than offset by a $22 million decline in managed data and networks, due to declines in legacy WAN revenues, and a $12m decline in IT services revenue, as tough economic conditions dampened demand.



- Procurement and partners revenue decreased $10 million, or 1.8%, mainly due to lower procurement volumes across the customer base, noting this was offset by associated lower procurement costs.

1. EBITDAI is a non-GAAP performance measure that is defined in note 2.5 of the financial statements.
2. Reported revenues, operating expenses, and EBITDAI exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.
3. Reported net earnings and basic earnings per share includes earnings from both continuing and discontinuing operations.
4. Adjusted numbers in FY25 include the impacts of removing the $71 million gain on sale of the remaining investment in Connexa, and the $53 million transformation costs associated with Spark's SPK-26 Operate Programme and any associated tax impacts. They also include the results of the data centre business for both years which has been classified as a discontinuing operation in the Financial Statements. The prior year net earnings has been adjusted for the $26 million impact of the government change to tax depreciation rules for buildings.
5. This represents the H1 FY25 first-half dividend of 12.5 cents per share, together with the H2 FY25 second-half ordinary dividend declared of 12.5 cents per share. Referenced on page 106.

Operating revenues and other gains (continued)

- Voice revenues declined $30 million, or 16.7%, in line with the long-term trend. Legacy voice revenues now contribute only 4% of total company revenue.
- High-tech revenue increased $5 million, or 6.3%, driven by strong connection and revenue growth in the IoT business.
- Other operating revenue declined $16 million, or 11.4%, largely due to lower network build work in Entelar.
- Other gains of $102 million includes the $71 million gain on sale of Connexa investment. Excluding this gain the remaining other gains of $31 million were down $71 million due to fewer lease modifications and terminations and lower vendor funded test and development equipment.

Adjusted revenues[4]

- Adjusted revenues include $46 million data centre revenues reported within the discontinuing operation and excludes the gain of $71 million from the Connexa shareholding divestment.

Operating expenses

$2,672m reported (down 0.3%)

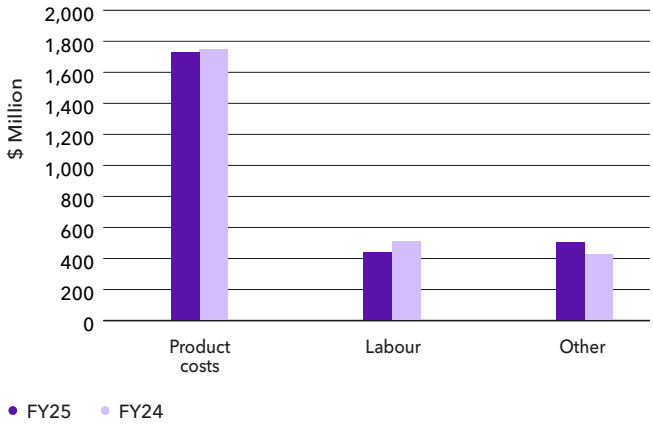
$2,640m adjusted (down 2.1%)

Reported operating expenses[2]

- Product costs decreased $17 million, or 1.0%, with declines broadly in line with decreases in associated revenues. The major declines were associated with lower mobile handset sale volumes, reduced voice connections, lower procurement volumes, and product cost savings, partly offset by higher broadband input costs.
- Labour costs decreased by $68 million, or 13.4%, as the business undertook a transformation of its operating model.
- Other operating expenses increased $78 million, or 18.4%, due largely to transformation costs (totalling $53 million) and CPI increases in software licence costs impacting computer costs and increased network support costs due to network expansion.

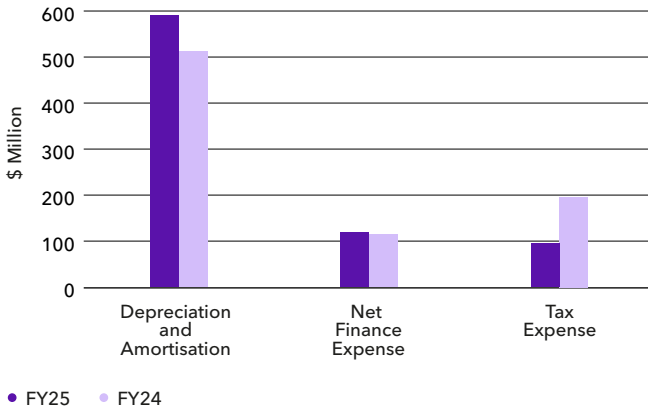
Adjusted operating expenses[4]

- Total adjusted operating expenses (including data centre costs and removing the transformation costs) decreased by $58m, or 2.1% from FY24.



Other

- Total depreciation and amortisation increased $78 million, or 15.2%, largely driven by higher costs associated with the increased capital spend in prior years combined with increased depreciation on right-of-use assets in line with increased mobile tower and property leases.
- Net finance expense increased $4 million, driven by higher debt levels, as well as increased interest on leases due to long-term infrastructure leases.
- Tax expense decreased $101 million, largely due to decreased earnings before tax, the non-taxable gain on sale of Connexa and the cycling of $26 million additional tax in the prior year relating to the tax depreciation on buildings.



Net earnings from discontinuing operation

The data centres business has been classified as a discontinuing operation held for sale at 30 June 2025 resulting in separate disclosure of its net earnings after tax of $8 million, an increase of $3 million from FY24. The increase in earnings is largely due to revenue growth of $5 million, or 12.2%, driven by scaling utilisation, customer wins, and price increases.

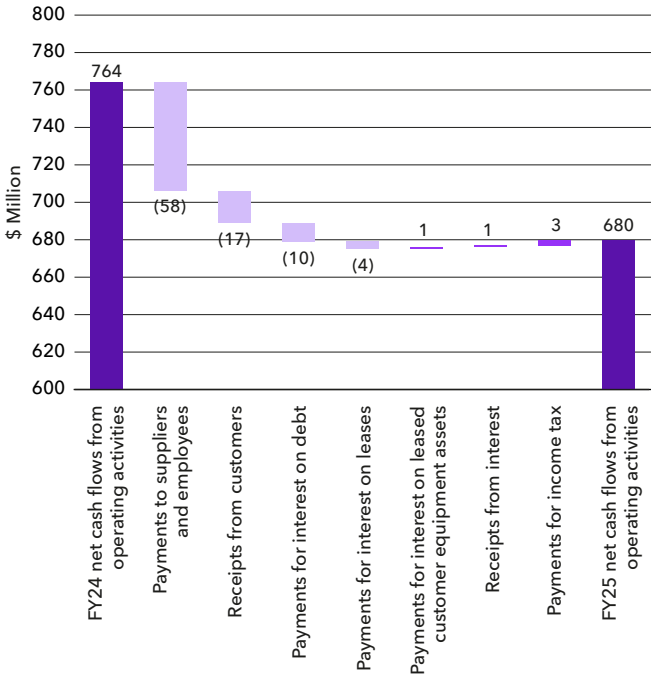
Cash flows

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Net cash flows from operating activities	680	764
Net cash flows from investing activities	(112)	(550)
Net cash flows from financing activities	(593)	(255)
Net cash flows	**(25)**	**(41)**
Free cash flow[6]	**330**	**330**

- Operating cash flows decreased $84 million, largely due to severance payments as part of transformation costs, lower receipts from customers as a result of lower revenue during the year, higher payments for interest on debt, and higher payments for interest on leases resulting from increased infrastructure leases.
- Investing cash outflows of $112 million decreased by $438 million. The main drivers of the difference were the receipt of net proceeds from the sale of the remaining interest in the Connexa business of $309 million, and a $150 million reduction in payments for capital expenditure[7], largely due to lower spend on the Standalone 5G network, combined with timing-related higher network payments in the prior year.
- Financing cash outflows were $593 million in FY25, consisting mainly of dividend payments of $302 million and net repayments of debt of $197 million (following the receipt of the Connexa proceeds).
- Free cash flow was flat year-on-year, with the decline in EBITDAI offset by lower cash payments for capital expenditure included in free cash flow, and increased payments for interest.

Operating cash flows

$680m (down 11.0%)



6. Free cash flow is a non-GAAP measure and is defined on page 7 of Spark's FY25 Detailed Financials.
7. Payments for capital expenditure includes purchase of property, plant and equipment, intangibles (excluding spectrum), capacity, and assets classified as held for sale.

Capital expenditure[8]

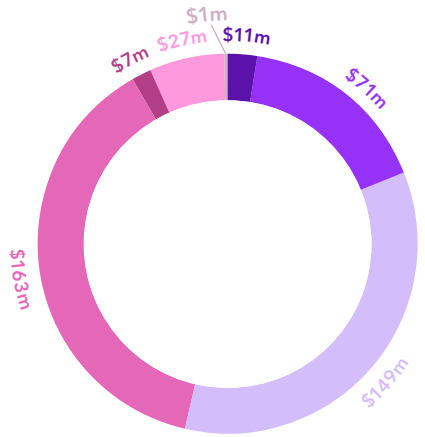
$429m

Capital expenditure to adjusted operating revenues and other gains[9]

11.6% (FY24 13.4%)

Capital expenditure in FY25 included the following key focus areas and projects:

- Continued investment in Spark's mobile core and radio access network (RAN), delivering greater network capacity, coverage, and reliability.
- Strategic investment in the lifecycle and licensing of internal IT systems focused on automation and enterprise platform integration to drive efficiency.
- Expanding AI investment to embed intelligence across operations, accelerating automation and service transformation.
- Fixed network infrastructure and international cable capacity to meet requirements for Spark's fibre, transport, and IP network, continuation of the core network expansion and resilience programme, PSTN decommissioning, and international cable capacity purchases to meet forecasted demand for data.
- Data centre investment, including the ongoing construction of the University of Waikato data centre and the upgrade of the Aotea Campus, as well as the commencement of pre-construction activities for the Takanini and North Shore campuses.
- Property investment in Spark's retail store fitouts and refits, and sustain investment for power and building services for Spark-owned exchanges and data centres.



Reported return on invested capital (ROIC)[10]

ROIC of 8.7% in FY25 was in excess of estimated weighted average cost of capital of 8.0% and outperforms the majority of Spark's global peers.

8. CAPEX is a non-GAAP performance measure that is defined in note 2.5 of the financial statements.
9. CAPEX to operating revenues and other gains for FY25 is calculated on adjusted operating revenue (excluding the gain on divestment of Connexa) to enable a meaningful analysis.
10. Reported return on invested capital (ROIC) is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinuing operations) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity).

Our Board and Leadership Squad

Our Board

Justine Smyth CNZM
Chair and Non-executive Director

Justine was appointed to the Board in December 2011 and was last re-elected in November 2022. She was appointed Chair in October 2017, and has experience in listed company governance, capital markets, and the financial and commercial performance of large corporate enterprises.

David Havercroft
Non-executive Director

David joined the Board in October 2021 and became Chair of the Human Resources and Compensation Committee (HRCC) in 2024. David brings risk management, regulatory policy, data, digital technologies, and strategic telco industry knowledge and experience to the Board.

Warwick Bray
Non-executive Director

Warwick joined the Board in September 2019 and brings financial, commercial, capital markets, customer insight, listed company governance, and strategic telecommunications industry experience to the Board.

Lisa Nelson
Non-executive Director

Lisa joined the Spark Board in May 2024 and brings financial, commercial, customer insight, listed company governance, capital structures, global data, and digital technology business experience to the Board.

Jolie Hodson MNZM
Chief Executive and Executive Director

Jolie joined the Board in September 2019, following her appointment to CEO in July the same year. Jolie brings strategic knowledge within the telco and technology sector, financial and commercial, and people leadership and culture development experience to the Board.

Gordon MacLeod
Non-executive Director

Gordon joined the Board in August 2022 and became Chair of the Audit and Risk Management Committee (ARMC) in 2023. Gordon brings experience in the financial and operational performance of large businesses, capital markets, and people leadership to the Board. Gordon will resign from the Board effective 1 September 2025.

Sheridan Broadbent
Non-executive Director

Sheridan joined the Spark Board in August 2022 and brings risk management, regulatory, people leadership, and strategic telco and technology industry experience to the Board. Sheridan will resign from the Board, effective 1 October 2025.

More information about the Board:
spark.co.nz/leadership

The following Directors were appointed to the Board during FY26:

Lindsay Wright

Non-Executive Director

Lindsay joined the Board on 1 August 2025, and brings substantial expertise in commercial operations, strategy, investment management, finance, capital markets, and risk and capital management to the Board.[1]

Vince Hawksworth

Non-executive Director

Vince will join the Board from 1 October 2025, and brings experience in infrastructure investment, management of large-scale customer bases, and people and culture leadership to the Board.

Tarek Robbiati

Non-Executive Director

Tarek will join the Board from 1 October 2025, and brings financial and commercial acumen, strategic business transformation, and deep telecommunications industry experience to the Board.

1. Lindsay has joined the ARMC and will assume the role of Chair upon Gordon MacLeod's retirement.

Leadership Squad

Stewart Taylor
Chief Financial Officer

Stewart joined Spark as Chief Financial Officer in 2024. He brings financial, capital management, business strategy, and performance delivery expertise to the business.

Mark Beder
Customer Director

Mark joined Spark in 2003 and was appointed to the Leadership Squad in 2016. He moved from the role of Chief Operating Officer to Customer Director in 2023. He brings technology leadership, network operations, capital investment, sales, and business strategy expertise to the business.

Greg Clark
SME and Consumer Director

Greg joined Spark in 2013 and was appointed SME and Consumer Director in 2023. He brings retail, sales, and customer service expertise to the business.

Renee Mateparae
Network and Operations Director

Renee joined Spark in 2017 and was appointed Network and Operations Director in 2023. She brings technology leadership and network operations expertise to the business.

Matt Bain
Data and Marketing Director

Matt joined Spark in 2018 as Marketing Director, taking on the role of Data and Marketing Director in 2023. He brings brand strategy, AI, technology, digital and data-driven marketing, and customer experience expertise to the business.

Heather Langton
People and Culture Director

Heather joined Spark in 2013 and was appointed People and Culture Director in 2019. She brings leadership development, culture, and workforce transformation expertise to the business.

Melissa Anastasiou
Commercial Director

Melissa joined Spark in 2009 and was appointed Group General Counsel in 2012. She moved into the role of Commercial Director in 2025. She brings legal, regulatory, and commercial expertise to the business.

Leela Ashford
Corporate Relations and Sustainability Director

Leela joined Spark in 2020 and brings corporate affairs, government relations, sustainability, and stakeholder engagement expertise to the business.

John Wesley-Smith
Strategy and Regulatory Director

John joined Spark in 2005 and became Strategy and Regulatory Director in 2023. He brings strategy, public policy, and regulatory expertise to the business.

More information about the Leadership Squad:
spark.co.nz/leadership

Our customers

The key to our success lies in how satisfied and loyal our customers are to Spark, which puts customer experience at the heart of our strategy. We provide mobile, broadband, cloud, digital, and IT services that connect individuals and households, small businesses, government, and large enterprise customers. These products and services connect customers and communities across the country, creating value for New Zealand as well as Spark.

Improving customer experience

We have an enduring focus on improving the experiences of Spark customers, by making their interactions with us easy and effective. This work continues to show up in customer feedback, with our interaction net promoter score (our measure of customer satisfaction) for our consumer and SME customers up 2 points to +40 in FY25.

This is the fifth year running we have improved customer experience – with a total 18 point improvement since FY20. We continue to focus on training for our store and call centre teams, improvements to our digital journeys, and utilising new technologies like Artificial Intelligence (AI) to better serve our customers.

+40

Net promoter score up 2 points in FY25

Using Generative AI to improve customer experience

In FY25 we launched a new tool called 'Bravety' to support our customer care teams. Bravety uses Generative AI (Gen-AI) to transcribe and summarise live customer calls in real-time and provides the summary to the care team member for review immediately after the completion of the call.

This ensures we have consistent and accurate records and allows our people to spend more time focusing on our customers, and less time taking notes.

For customers it means our people are well informed about previous interactions they may have had with our team, which makes it faster and easier to receive the support they need. Since its launch, Bravety has summarised customer calls within 5 seconds and saved, on average, ~1.5-2 minutes per call.

More data than ever before for our mobile customers

Mobile is central to our business, and in FY25 we improved New Zealand's data for dollars ratio by introducing big data mobile plans.

Our research told us that customers valued data above everything else, and to meet that need we launched new 'high data at max speed', pay monthly mobile plans – matching the increased customer demand for mobile data seen year-on-year. In the first six months since its launch, we've seen acquisition in our consumer and SME segments increase more than 7% compared to the same period last year.

In March we launched our new mobile brand campaign, 'What a time to be', along with free data for Spotify music on all eligible pay monthly mobile plans – allowing our customers to enjoy their favourite tunes without cutting into their data allowances.

We also re-introduced 'Companion Plans', rewarding friends and family on the same account (with the same data inclusions) with a discounted rate. Spark's prepaid offering was then refreshed, with an increase in base data allowances across all plans, the inclusion of Australia in SMS and minutes allowances in some of our plans, and the launch of two new lower-priced value packs for price-conscious prepaid customers.

Launching a world-first AI ambassador with Skinny

Skinny made history selecting Liz, a long-time customer from Kerikeri, as its new AI-created brand ambassador, following a nationwide search. The campaign paired AI with a team of local creative minds, and over 11 weeks, Liz's voice, facial expressions, and personality were captured to bring her AI clone to life. The result is a highly realistic AI version of Liz, capable of delivering new campaign out-of-the-box advertising without the need to film a new ad each time a new campaign is created – keeping prices low for Skinny customers. Liz's AI likeness will feature in Skinny advertising over the next two years.

Preparing to launch satellite-to-mobile in FY26

During FY25, Spark entered a new partnership with another US-based satellite provider to offer customers satellite-to-mobile services from the second half of FY26. We are making good progress preparing for launch, and have recently started testing on our network, with customer trials to follow ahead of a commercial launch early next year.

For our business customers we already offer fixed site and land mobility satellite broadband as part of a range of managed connectivity solutions, enabling them to add an additional layer of resilience to traditional networks and providing connectivity to remote areas.

Connecting New Zealand businesses, big and small

As tough economic conditions persisted, our Enterprise and Government division continued to experience reductions in business spending and shrinking mobile fleets and fixed connections, as the public and private sectors reduced workforces. Positively, connection decline stabilised in the second half and Spark continued to win new business, with notable new accounts including Summerset, Deloitte, and New Zealand Red Cross. We also delivered a range of innovative new services, including the country's first private 5G network for business with Air New Zealand.

Spark supports over 110,000 small and medium enterprises (SMEs) in New Zealand through our network of local business hubs. Our 'local like you' model, where each Business Hub is locally owned, has resonated well with customers, resulting in a notable increase in our SME Business Hub customer satisfaction score of +5 points in FY25 to +71. In response to the challenging economic environment our SME customers faced during the year, we launched the 'AI Foundations' course in partnership with New York's Section Business School. This initiative provided 2,000 Spark customers with essential AI skills to enhance their productivity.

Keeping our customers safe online

Spark puts cyber security, customer safety, and privacy at the forefront of everything we do. We invest in the security of our networks, ensure our people undergo regular training, provide our customers with tools and education, and regularly update our policies and frameworks, so that we can keep our customers safe on our network.

Online safety

We recognise the important role we must play in protecting our customers from the growing list of threats they face online – including scams, cyber security risks, and objectionable material.

Because we cannot stop scamming from occurring, or objectionable material from being shared, we implement a range of blocking measures on our network, provide additional tools for our customers to utilise on their own devices, and empower our customers with education and information on how to keep themselves safe online.

Our SMS Firewall (which is designed to identify and block scams before they reach our customers) has blocked nearly 1.4 million SMS messages since October 2024. The SMS firewall monitors and blocks all SMS traffic, whether it originates overseas or locally, and can detect and block scammers attempting to use our network five times faster than our previous methods. We expect this to improve further as we continue to refine our blocking rules and respond to current scam trends.

More information about Spark's approach to privacy: spark.co.nz/privacy

Privacy

Protecting our customers' personal information is a responsibility we take seriously. As we continue to embed new technologies like AI throughout our business processes, we also continue to evolve our governance approach to data ethics and privacy to ensure we have the right guardrails in place to protect our customers' and employees' information.

We are committed to keeping customers' personal information safe and managing it in ways that align with their expectations. We do this through various frameworks including Spark's Artificial Intelligence Principles and Spark's Privacy Values, and by adhering to relevant laws, including the Privacy Act 2020, and the Telecommunications Information Privacy Code 2020.

Spark's Digital Trust team leads Spark's privacy programme, providing frameworks, tools, and training to support our people to follow our Privacy Policy and Values. The Privacy and Online Safety section on our website contains a range of tools and services to help our customers safely manage their privacy and security.

In FY25 our people reported 156 data breaches for investigation. When required, Spark reports these breaches to the Office of the Privacy Commissioner (OPC). We also continue to see incidents where fraudsters use personal information obtained from non-Spark sources, such as compromised online accounts to obtain access to customer accounts.

Spark also received 39 substantiated privacy complaints from customers. There were no substantiated complaints received through the OPC. More details on our approach to ethics, legal compliance and employee training can be found on page 54.

Cyber security

Spark is a trusted advisor to a large number of New Zealand businesses on cyber security, and we work alongside cyber security agencies and partners to monitor and respond to threats.

Our Chief Information Security Officer (CISO) has responsibility for Spark's cyber security. We have a large cyber security team and established processes that ensure appropriate ownership, oversight, and ongoing risk management is applied to our customers' and Spark's IT systems and data.

Spark people also play a critical role in helping to detect and defend against potential cyber security threats. For that reason, all our people are required to undertake regular cyber security training, to equip them in identifying and helping to mitigate potential threats.

More information about Spark's approach to online safety and cyber security: spark.co.nz/protecting-our-customers

Spark and Air New Zealand implement country's first private 5G network

Spark worked with Air New Zealand to develop New Zealand's first private 5G network for business. The network enables a drone connected to a robot to carry out stocktaking, increasing productivity.

The trial took place at Air New Zealand's logistics warehouse at Auckland Airport. The warehouse holds hundreds of items, ranging from aircraft spare parts to passenger supplies like blankets and headphones. Stocktakes were taking place twice a year at the 5,000 square metre facility.

Spark's 5G technology allows a drone tethered to an autonomous ground robot to operate on Air New Zealand's private network. The single, automated device helps employees with regular stocktakes by scanning barcodes and sending data through to an app. This also supports a safer workplace, reducing the need for team members to complete stocktakes at up to 15 metres high.

The private network was built with partner Ericsson and its Ericsson Private 5G product, while the stocktaking drone solution, Captis, comes from Spark's partner Cypher Robotics.

This trial has shown what is capable in large warehouse environments – and more opportunities are being explored with other customers.

Using Spark's 5G technology, Air New Zealand is using a drone connected to a robot to assist with regular stock takes at its warehouse.

Our network and technology

Our network and technology underpin value creation for our shareholders, enabling the products and services that connect and empower our customers and New Zealand. Our customers rely on us to keep them connected in as many places as possible, and we make significant investments into our network every year to improve coverage, capacity, and resilience, and create a better network experience for our customers.

Transforming our technology delivery model

A key strategic focus in FY25 has been the transformation of our technology delivery model, which refers to our IT and network operations.

We have had a long-term focus on modernising our technology, embedding AI into our business, and building a resilient, adaptive, and automated network. Our new technology delivery model accelerates this focus through the establishment of several strategic partnerships, which is a common structure utilised by telcos in offshore markets.

Through these partnerships we will be able to leverage the scale, capability, and innovation of global partners, to support better customer outcomes and improved cost efficiency. The four new partnerships are outlined below:

Network partnership with Nokia

This partnership will accelerate our network strategy and support us to create better customer experiences, while also contributing to reduced network operating costs.

Nokia will manage day-to-day monitoring and support for our network through their global delivery team, and have also established a local Network Operations Centre (NOC) in New Zealand. Spark retains all components of future network strategy and planning, network design engineering, critical incident oversight, and complex operations. We will also work together to jointly develop AI and automation capabilities.

IT partnership with Infosys

This partnership will help us deliver digital and AI-driven customer experiences more quickly, while also contributing to reduced IT operating costs. Infosys will work with us to provide global DevOps[1] and software engineering capabilities to help build, test, integrate, and deliver our systems and applications, along with monitoring and support. We will retain our IT assets and control of our technology architecture strategy, product design and innovation roadmap, and business applications.

IT partnership with HPE

This partnership will help us ensure that our IT environments are continuously updated in line with advancements in technology, while also contributing to reduced IT operating costs.

HPE will provide us with IT infrastructure and capability to manage our compute, storage, and backup through HPE GreenLake cloud, which will enable us to adapt our usage in line with market demand. We will retain control over our IT environments, including critical infrastructure, service delivery, innovation, IT architectural decisions, security policies, and service orchestration.

Cloud partnership with Microsoft

Through this partnership we will continue to provide compelling hybrid cloud options for our customers, while modernising our own cloud environment, enabling further AI uptake by our people, and improving our overall cloud economics. To achieve this, we will be moving a proportion of our own workloads to Microsoft Azure and have rolled out additional Microsoft 365 Copilot licenses to our people. We now have 2,500 of our people using Copilot.

Creating long-term shareholder value through data centres

During FY25 we continued to grow our data centre revenues and position the business for future expansion.

Globally we are seeing increased demand for data centre capacity, as cloud adoption continues and the use of AI accelerates.

Spark is a significant player in the market, with existing international cloud and content provider contracts and our local capability a compelling proposition to customers.

During the year we commenced a process to secure a capital partner to support this future investment.

This culminated in an agreement to sell a 75% interest in our data centre business to Pacific Equity Partners (PEP)[2] – valuing the business at up to $705 million[3] and securing a funding pathway to build out our planned 130MW+ development pipeline.

Through this partnership we will realise value for our data centre assets in the short term, while also continuing to participate in the growing market through our retained 25% stake – creating further value for our shareholders over the long term.

The most reliable network, with the widest coverage experience

Our customers rely on us to keep them connected in as many places as possible. Spark invests significantly into our network every year, to expand coverage and capacity, and further strengthen resilience.

Testament to this, in FY25 we were awarded the Reliability Experience award in *The New Zealand Mobile Network Experience Report*, released by Opensignal[4] during the year. Reliability experience measures the ability of users to connect to, and successfully complete basic tasks on a mobile network such as stream video, browse the internet, and use applications, as well as analysing user experience and connectivity issues. Additionally, we also secured the top position for Coverage Experience. The Opensignal Coverage Experience metric measures the extent of mobile networks in the places people live, work, and travel and represents the experience users receive as they travel around areas where they would reasonably expect to find coverage.

Spark's planned new data centre campus on Auckland's North Shore.

1. DevOps is an abbreviation for Development Operations, which is a process that aims to automate and integrate the processes between software development and IT operations.
2. Transaction subject to regulatory and customary consents.
3. Headline enterprise value comprising base enterprise value of $575 million and up to a further $130m of earn-out enterprise value.
4. Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.

Boosting resilience to natural disasters

One of the main reasons for telecommunications outages in a natural disaster is a loss of power or backhaul (fibre between cell sites that transport local towers to the core network). Most of our cell sites are equipped with battery backup and the ability to connect standalone generators when those battery reserves are exhausted. Over the past year, we have been working to extend battery life on critical sites to ensure they can withstand longer power outages. We are also rolling out a monitoring solution that will enable our cell sites to detect when they are unable to draw power from the grid, report real-time power consumption, and conserve power by automating decision-making to prioritise connectivity for essential communications such as calls and texts.

We have been working to establish a network of satellite-connected small cells throughout the country, which can be deployed to provide access to a basic level of mobile connectivity during emergencies when fibre backhaul (which connects a cell tower back into the network) becomes compromised. These satellite-connected emergency small cells are housed in strategic locations around the country, including Northland, Auckland, Gisborne, Palmerston North, Canterbury, and Westport, making them readily available to deploy in a disaster.

In June, this satellite solution was successfully deployed in Murchison, when areas of the South Island were impacted by severe flooding and storms. This was the first time we used this type of solution as part of our standard emergency response.

We also work collaboratively with our peers on disaster preparedness and during major incidents. The sector comes together through our industry group, the Telecommunications Forum (TCF), which coordinates operators, other infrastructure sectors, including electricity and roading, as well as government, to restore services.

Investing in new technologies

Unlocking the power of 5G

Our national 5G rollout has continued at pace, with 5G now live on more than 950 cell sites. These sites span 130 locations with a population greater than 1500 across Aotearoa, from large cities to smaller regional towns. This means more than half the population can now access 5G through Spark's network.

As we build our 5G network across the country, we are also deploying a 5G core network – known as 5G standalone, which will deliver a true end-to-end 5G experience without any dependency on legacy technologies. 5G standalone introduces new 5G network features such as lower latency, and network slicing, which allows us to create different service slices of the network that can be tailored for different purposes. This means we can optimise the network to suit the specific needs of different customers and industries. In FY25, together with Ericsson and Red Hat, we successfully completed the deployment of the first network slice of our 5G Standalone network in a lab environment and trialled our first data session.

This milestone brings us closer to introducing the next wave of 5G to Aotearoa, bringing with it all the transformative capabilities an end-to-end 5G network can offer. We will launch 5G standalone to customers in FY26.

AI and automation for better customer and employee experiences

We have been investing in AI and automation across our business for many years, with a particular focus on enhancing customer and employee experiences and boosting operational efficiency.

In addition to our Bravety tool that is mentioned earlier in the report, other examples of successful initiatives include:

- **SparkGPT** – an internal assistant for our employees that helps them access company, product, and financial information quickly, reducing the workload for common database queries.
- **Writer** – a generative AI platform that helps our people create content quickly, while maintaining brand consistency, tone, and compliance.
- **Bravo** – an assistant for our customer care teams that uses our internal knowledge base to get the right information for our customers more quickly. Bravo is answering around 20,000 questions every month, resulting in a 60% reduction in queries being referred to back-office teams.
- **AI marketing tool** – which automates customer communications and tailors offers to our customers' needs, reducing campaign-to-market time from weeks to hours.
- **Mercury (SME) and ClientHQ (Enterprise)** – AI sales platforms that provide our teams with the insights and priorities they need to best serve our customers and grow our business.
- **Microsoft Copilot** – An AI assistant embedded in Microsoft tools like Word, Excel, and Teams that helps Spark employees work faster and smarter by automating tasks, generating content, and surfacing insights from data and documents.

During FY25 we have been working to increase the uptake and proficiency of AI use amongst our people, as part of our ambition to establish a strong foundation for AI-enabled future productivity and customer experience improvements.

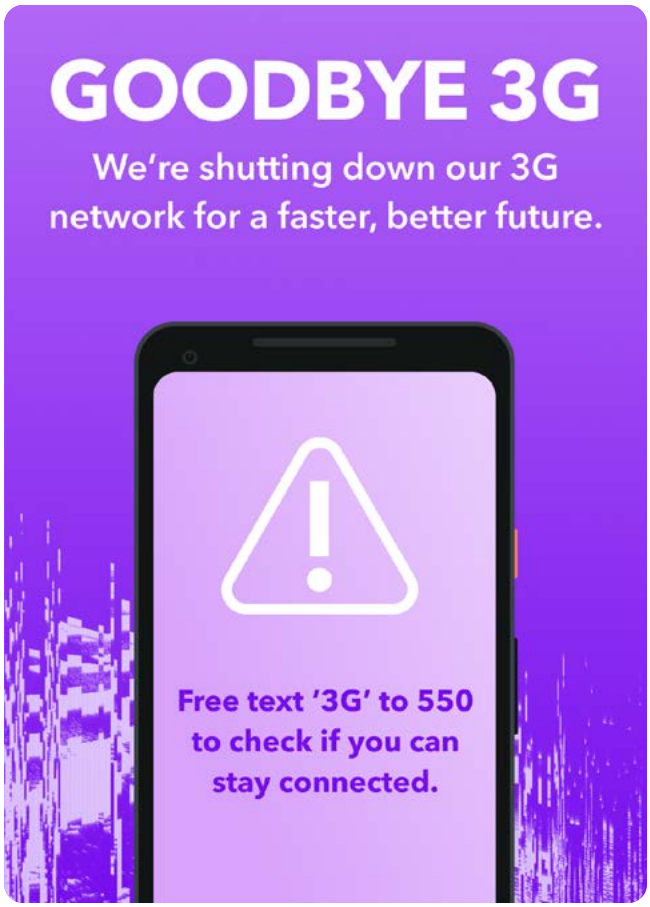
Spectrum

Spark currently holds a comprehensive portfolio of spectrum rights in New Zealand, which gives us optionality to meet future demand on our network and deploy new technologies.

At the start of FY24, Spark was allocated long-term spectrum management rights to 80 MHz of 3.5 GHz (or C-band) spectrum, and over the past two years, this has been used to deliver high-speed 5G services to our customers through our accelerated 5G roll out program, and our commitment to extend 5G availability to regional towns.

The next spectrum renewal is expected to occur in FY29, however we expect an auction for mmWave frequencies (24GHz-29GHz) at some stage in FY27, with the spectrum being available for long-term use in early 2028. mmWave is a future step that will allow us to further deliver on 5G's potential – with increased speeds and significantly more capacity. 5G mmWave will be valuable for business applications such as ultra-HD video streaming, advanced analytics and machine learning, intelligent transport systems, e-health, education and much more.

Spark is already planning for this future by trialling mmWave technology in different scenarios and working with the business community to identify and test other cutting-edge use cases.



Migrating customers off legacy technology onto future-proof alternatives

We continue to migrate customers off end-of-life technology and onto modern alternatives already used by the majority of New Zealanders, such as fibre and wireless. This includes the retirement of our 3G network and the Public Switched Telephone Network (PSTN).

Closing our 3G network

In FY25 we confirmed that we will close our 3G network on 31 March 2026, as this technology reaches its end-of-life. Since announcing our shutdown plan in 2023, we have been expanding our 4G network – building over 70 new 4G mobile sites and upgrading more than 600 others. All 3G-only cell towers will be upgraded to 4G and 5G technology, with the majority of these upgrades already completed.

We know that some of our customers still use 3G–only devices, and we are communicating directly with them. We are also providing information to the community more broadly through instore brochures, community outreach, and advertising on radio, social, print, and out-of-home media outlets, through our industry group, the Telecommunications Forum.

To make it easier for customers to figure out what action they need to take, we launched a device checker service where customers can text '3G' to 550, free of charge, to check if their device will work after the 3G network is switched off. We also set up a dedicated customer phone line to answer queries on 0800 3G EXIT, and closer to shut down, we will add a pre-recorded voice message that will automatically play when a customer uses a 3G-only device to make calls.

Retiring the Public Switched Telephone Network (PSTN)

The Spark-operated PSTN – the traditional way of providing landline services – was built in the 1980s and is rapidly reaching the end of its life. The network's components have not been manufactured since 2003 and the people with the skills needed to maintain it are getting harder to find.

The majority of New Zealanders have already made the switch to fibre or wireless proactively. In 2017 we had over a million customer lines on the PSTN, and by the end of FY24 only 77,000 remained. At the end of FY25 this had dropped further to 38,000. As customers move off the PSTN, we are able to decommission legacy PSTN equipment. To date, we have decommissioned almost 74% of our PSTN switches, which has resulted in a significant decrease in our power usage and carbon emissions.

Our environment

The natural resources we rely on are not just essential to our operations, they're essential to delivering long-term success.

By using natural resources responsibly and efficiently – and supporting our customers to do the same – we strengthen the sustainability of our business model, drive operational excellence, and deliver lasting value for all of New Zealand.

Commitment to responsible environmental management

Spark's approach to environmental management is integrated into our overarching ESG governance. See the ESG Governance section on page 64 for a detailed description.

Our overarching environmental commitment is contained within our **Environmental Policy**, which can be found on our website, and sets out our expectations for our people to consider environmental impacts when making decisions at work, including examining our business practices, understanding their impacts, and taking reasonable steps to reduce our environmental footprint.

Performance against our climate commitments

We provide detailed reporting on our performance against climate metrics and targets in our Climate-related Disclosures Report, which includes our FY25 Greenhouse Gas (GHG) Inventory and tracks our year-on-year emissions performance.

Our key target is our science-based emissions reduction target, which has received verification by the Science Based Targets initiative (SBTi). This target includes a commitment[1] to reduce our scope 1 and 2 emissions by 56% by FY30 against a FY20 baseline, alongside a scope 3 emissions target that 70% of our suppliers (by spend) have science-aligned targets in place by the end of 2026. For FY25, approximately 61% of our spend was with suppliers that

have targets, up from 43% in FY24 (see page 29 of our Climate-related Disclosures Report for a more detailed explanation).

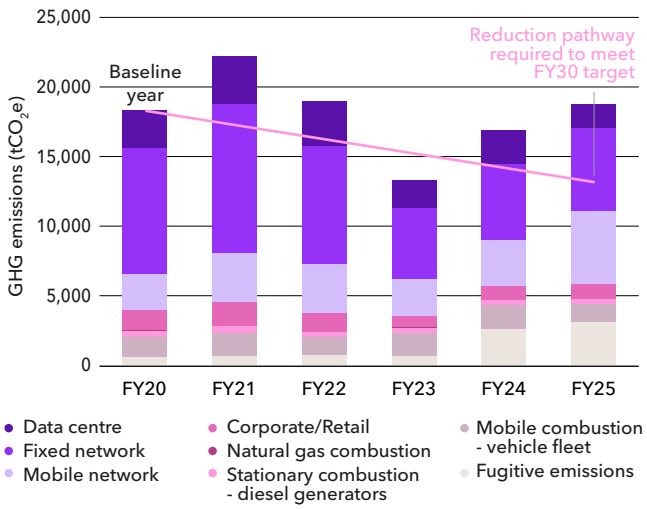
Emissions reduction does not track a straight-line trajectory and often occurs in step changes tied to specific initiatives. We remain committed to our FY30 emissions target and we are taking meaningful steps to work towards our emissions reduction target, with progress made on underlying performance in the past year which lays the foundation for future emissions reduction.

A significant initiative that launched in the second half of the year was the commencement of our ten-year renewable energy partnership with Genesis Energy, which enables Spark to reduce our reported (market based) scope 2 emissions through linking emissions from electricity consumption to new renewable generation.

This new partnership will allow us to decouple our market-based scope 2 emissions from the national grid emissions factor. This factor is heavily influenced by the share of hydroelectric generation, which is the largest source of electricity feeding the New Zealand grid.

In the past year, a winter energy crisis caused by poor hydrological conditions meant more coal was burnt to meet energy generation needs. This contributed to an 11.0% increase in our year-on-year scope 1 and 2 emissions. This means our emissions are tracking 41.8% above our reduction trajectory plotted as a straight line between our FY20 baseline and FY30 target year.

Our emissions are also influenced by one-off events, such as the release of fire suppressant, which also occurred in FY25 increasing our scope 1 fugitive emissions. In FY25 these factors were offset by a reduction in scope 2 electricity consumption, and a 26.3% reduction in fleet emissions. For FY26 we will need to consider the impact of the sale of 75% of our data centre business on our reporting and target baseline and boundaries. See page 27 of our FY25 Climate-related Disclosures Report for more information.



Detailed environmental reporting

This section of our Annual Report is a high-level summary of our approach to environmental management, including a summary of our environmental performance over the past year. As part of our annual reporting, we publish more detailed environmental disclosures across accompanying reports:

Our **FY25 Climate-related Disclosures Report** is published in compliance with the New Zealand Climate Standards. It includes detailed reporting on all aspects of how climate change impacts Spark's value creation. This includes our climate-related risks, climate scenario analysis, and reporting our greenhouse gas emissions against our science-based emissions reduction target.

Spark's FY25 ESG Data Pack includes our detailed GRI Index and ESG performance data. This includes a summary of environmental performance data, including climate, energy, waste and water.

Spark's Environmental policy, ESG Data Pack and Climate-related Disclosures Report are here: spark.co.nz/governance

1. This means Spark is committed to pursuing this target and we are working towards it. For clarity, this is not a guarantee that we will meet this target.

Cutting the ribbon at Lauriston solar farm were, from left, Michael Steiner of FRV, South Island Minister and local MP James Meager, Genesis CEO Malcolm Johns, Spark CEO Jolie Hodson, Genesis Renewables Development Manager Craig Brown, Chief Operating Officer Tracey Hickman.

Our electricity consumption performance

In the past year we have seen a decrease in electricity consumption linked to our scope 2 emissions. Our electricity consumption is down 4.9% from 156.3GWh to 148.7GWh.

This decrease is largely due to our long-standing programme of network simplification, including the decommissioning of legacy equipment, such as the public switched telephone network (PSTN), which has driven year-on-year reductions in electricity use across our business. These savings offset growth in other areas, such as our mobile network, which is increasing its energy use as we roll out 5G.

In the past year the relocation of Spark's Auckland corporate office to 50 Albert Street also supported our efforts to reduce our environmental impact. Since our move in December 2024, we have already seen significant energy savings. This has contributed to a reduction in our office and retail site consumption, down 23.2% compared to the previous year.

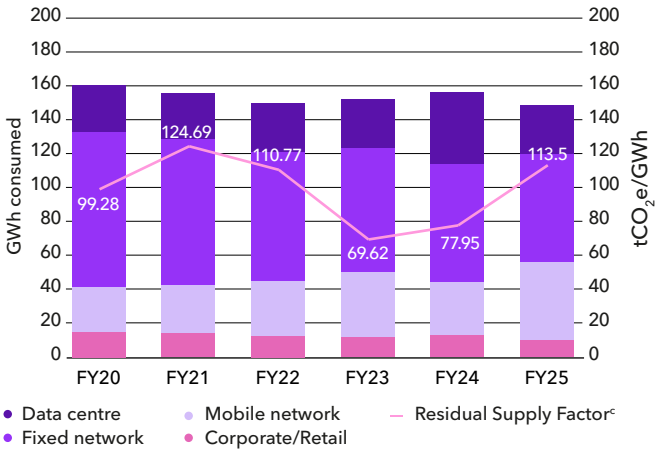
Renewable energy partnership

Spark's renewable energy partnership with Genesis Energy commenced in FY25. Through the partnership, Spark's energy consumption is matched via Renewable Energy Certificates with new renewable energy generated by the Lauriston solar farm, which officially started supplying the grid in early 2025.

The partnership demonstrates how New Zealand businesses can work together to support New Zealand's decarbonisation – with Spark's procurement supporting Genesis's renewable energy investments, and those investments in turn enabling Spark to meet its emissions reduction target.

The annual production from the solar farm is projected to be equivalent to approximately 60% of Spark's annual electricity consumption. Although the site was only operational for part of the FY25 period, it enabled Spark to reduce reported market-based electricity emissions by 3,954 tCO_2e across scope 2 and 3.

Electricity consumption



60%

The annual production from the solar farm is projected to be equivalent to approximately 60% of Spark's current annual electricity consumption

Real-time flood monitoring for Hawke's Bay

In FY25 we supported Hastings District Council to improve flood resilience by using real-time IoT sensor technology to protect communities in high-risk areas.

In the aftermath of Cyclone Gabrielle, the Council was looking for a smarter, faster way to detect and respond to rising stream levels across Havelock North. Partnering with engineering consultancy Beca, we deployed a network of solar-powered sensors to monitor water levels at 15 key sites – transmitting data via our IoT network, with satellite connectivity as fallback in low-coverage areas.

These sensors feed critical data to our Adroit cloud platform, where automated alerts flag rapid water-level increases, and trigger early warnings to Council teams and emergency agencies. From there the data is integrated into a public-facing dashboard, giving residents real-time visibility of stream activity and empowering them to assess local risk and respond more effectively during severe weather events.

The project is the most comprehensive deployment of environmental sensors for flood detection in New Zealand to date. It also marks the first time a Council has committed to making this level of real-time flood data available to the public – enhancing transparency, trust, and community preparedness.

With a scalable platform and a growing suite of environmental sensors, Spark is enabling local councils to respond more effectively to climate-driven challenges – improving decision-making, safety, and long-term infrastructure resilience across the country.

Reducing electronic waste

Electronic waste includes valuable and potentially hazardous elements. For Spark, it is an important issue due to the potential volume generated by our operations and the end-of-life impact of customer equipment. That's why we are focused on circularity and minimising environmental harm from improper disposal.

We recycle end-of-life network equipment, with materials separated and processed by local recycling partners. Some components are sent overseas for recycling, reselling, or reusing. In FY25 we recovered 207 tonnes of electronic waste via our e-waste recycling partner. We also recover scrap metal and other material from network equipment. In FY25 we recovered 364 tonnes of scrap metal. Across both categories this represents a 27% increase in materials collection and recovery from FY24, when we collected 450 tonnes across e-waste and scrap metal combined.

In FY25 Spark also received 20,828 mobile devices for recycling and trade-in, up from 16,425 in FY24. Trade-ins are increasingly popular our customers, allowing them to unlock value from their older devices, while supporting reuse through refurbishment and resale. Devices that can't be redeployed are stripped for essential materials, which are reused in new products.

Spark is a member of the Telecommunication Forum's (TCF's) RE:MOBILE product stewardship scheme. The RE:MOBILE scheme takes unused mobile phones, and either refurbishes and on-sells them in overseas markets or recycles them to recover the materials used. Profit from the scheme is donated to the charity Sustainable Coastlines.

Spark is a part of the TCF Product Stewardship working group, which is reviewing the RE:MOBILE scheme. This included a gap analysis conducted by a third-party, which provided recommendations on how we can strengthen RE:MOBILE to deliver the best environmental outcomes.

Technicians installing solar-powered sensors in Havelock North.

We recycle end-of-life network equipment, with materials separated and processed by local recycling partners.

Our communities

We recognise that earning the trust of our communities and stakeholders is critical to maintaining our licence to operate and the long-term health of our brand, which supports value creation for our shareholders.

We work alongside New Zealand communities to harness the power of technology to create a positive digital future for all. Our products and services help our communities to stay connected and enable the provision of community services.

Championing digital equity

At Spark our commitment to digital equity starts with our purpose – to help all of New Zealand win big in a digital world. Digital equity starts with having access to devices and a connection to the internet, but it doesn't stop there. To close the digital divide, our communities need the skills to use technology, trust in the digital world, and the motivation to participate.

$10m+

In FY25 we committed over $10 million in free data and funding, alongside internal resources, to achieve our digital equity ambitions and contribute to our communities.

The Spark Foundation team with rangatahi from the P-Tech programme.

Spark's investment into the community

In FY25 we committed nearly ~$10.5 million in free data and funding, alongside internal resources, to achieve our digital equity ambitions and contribute to our communities.

This included $1.9 million donated to Spark Foundation, with $1.4 million designated specifically for community projects, and the remaining funding operational costs. It also includes the commercial value of the data provided to households in need through Spark's subsidised broadband service Skinny Jump, which totalled over $8.6 million in FY25. Skinny Jump has been designed to operate on a not-for-profit basis – with the revenue generated covering the costs of the free modems, community partner network, product development, and customer care and education.

Spark also funds the Spark Give and Spark Volunteer programmes, which match employee charitable donations (up to a total pool of $250,000 per annual year) and provides all Spark people with one day leave a year to commit to volunteering.

33,917

Households across the country who are actively using Skinny Jump

Improving access and affordability through Skinny Jump

Skinny Jump is Spark's not-for-profit wireless broadband service for people who find cost a barrier to having an internet connection at home. The service is entirely prepaid, so there are no long-term contracts or credit checks needed. Customers are provided with 35GB of data for just $5, with the first 15GB of data each month free and the ability to purchase up to six top-ups a month.

Jump is delivered by a dedicated squad of Spark people alongside a community partner network, which is overseen by the Digital Inclusion Alliance Aotearoa (DIAA) and includes over 300 local organisations nationwide. There are now over 33,917 households across the country who are actively using Skinny Jump. For wireless broadband an active connection is defined as a customer having used their modem in the last 30 days. However, Skinny Jump customers are more likely to have infrequent internet use as they have to reprioritise their monthly spending when budgets are tight. This is why for Jump, we also measure customers who have used their modem in the last 90 days, and in FY25 this totalled 36,202 households.

In FY25, Skinny Jump continued its key partnerships, including the 'Ciena Jump for Students Fund', which gives eligible students a free Skinny Jump connection until the end of the school year. There are now 1,094 students using the Ciena Jump for Students Fund.

Skinny Jump also continued to support the 'Awhi Matihiko: Red Cross Digital Settlement Package' – a collaboration with New Zealand Red Cross, Internet NZ, and Digital Inclusion Alliance Aotearoa that gives new refugees free Skinny Jump connections (for 12 months), laptops, and digital skills training.

Library Digi-Coaches setting up a customer with Jump at the War Memorial Library in Lower Hutt.

A Tūrama Pathways intern being welcomed to Spark.

Spark Foundation

Spark Foundation leads Spark's work in the community. The Foundation has a single-minded focus on digital equity, and its vision is that no New Zealander is left behind in a digital world. It has focused its strategy on the areas it can make the biggest difference – **digital access, digital skills and pathways**, and **digital wellbeing**.

Spark Foundation allocates funding for programmes through a strategic partnership approach, working with organisations whose objectives are aligned to improving digital equity for Aotearoa.

After many years of focus on digital access, over the past two years the Foundation has increased its focus on digital pathways. The exponential growth of digital transformation in the last few years has accelerated the need for people with advanced digital skills. Spark Foundation wants to ensure that people from all communities, particularly those who have been traditionally underrepresented in the technology industry, including Māori, Pasifika, and women, have the opportunity to learn the skills they need to participate in this growing digital economy.

More information about Spark Foundation:
spark.co.nz/spark-foundation

Students attending a Tōnui Collab after-school coding lab.

Providing dual language STEMM learning for youth

Tōnui Collab provides reo rua (dual language) Science, Technology, Engineering, Mathematics, and Mātauranga Māori (STEMM) learning opportunities that empower youth in the local community to explore animation, engineering, 3D design, robotics, coding, game development, virtual reality (VR) and more – blending mātauranga Māori and cutting-edge technology.

Some of the opportunities provided to the local community include partnerships with local marae to create learning experiences for children to experiment with VR while learning pūrakau (traditional stories) significant to their marae. They also support girls from local schools in Years 6 to 9 to engage with Robotics, run an after-school coding lab for Years 7 to13 students to create games and other digital experiences, and partner with Spark Foundation Partner, RAD (Recycle a Device) to teach young people to refurbish second-hand laptops that are then distributed to the community.

In just five years, Tōnui Collab has created over 2500 unique learning opportunities, which have enabled over 50,000 children and young people across the region to explore the diversity of and consider futures in STEMM.

The Spark team with a cohort of students from the Tūrama Pathways programme.

Tūrama Pathways

During FY25 Spark launched Tūrama Pathways, in partnership with Spark Foundation, as part of our commitment to support pathways into the technology sector for underrepresented communities.

One cohort of eight students was selected from Manurewa High School, Mangere College, and Aorere College to intern at Spark over a five-week period. As part of the programme, students experienced working in Spark retail stores and head office and had opportunities to network and learn from experienced industry professionals. After completing the programme, five interns were successfully placed and offered part-time roles in Spark retail stores, with other candidates offered ongoing mentoring and support from Spark to help them on their journeys. Additional cohorts are planned for FY26.

Connecting our people to our communities

Spark encourages our people to give back to the community through our Spark Give and Spark Volunteer programmes. You can find more information on these programmes and participation levels in our ESG Data Pack.

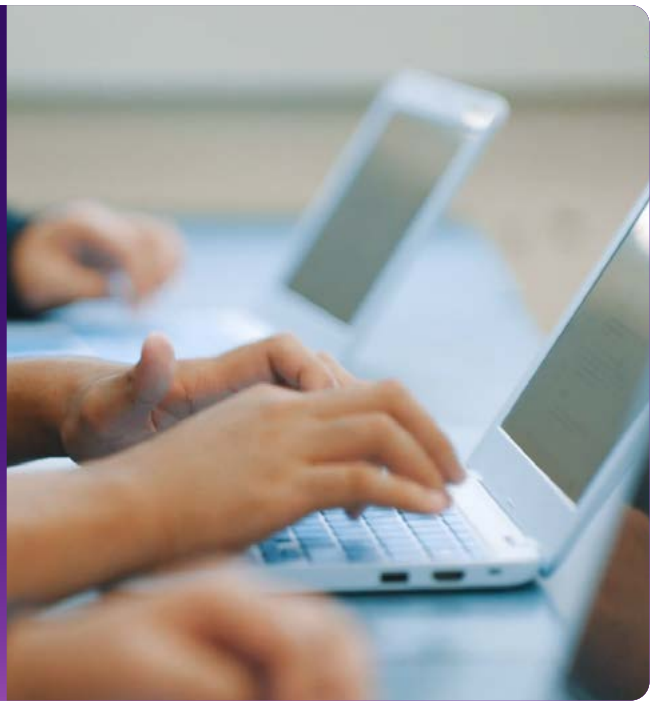
Spark's ESG Data Pack is available here:
spark.co.nz/governance

Spark signs Quadrent Green Lease

A partnership between Quadrent and Spark has resulted in hundreds of high school students in low-decile schools receiving laptops to use, with more laptops to be donated over the next four years

Through the Quadrent Green Lease initiative, Spark leases the laptops its employees use. Once the lease has ended, the laptops are then donated to schools, helping to bridge the digital divide for students without access to essential learning tools.

To accelerate Spark's donations, Quadrent bought more than 3,000 laptops from Spark. The proceeds from their resale in the secondary market have enabled more than 800 brand new laptops to be purchased for donation. Four hundred of these have already been delivered to schools, providing vital digital resources to up to 30 classrooms, with the first beneficiaries being South Auckland schools – Papakura High School, Papatoetoe High School, and Māngere College.



Our people

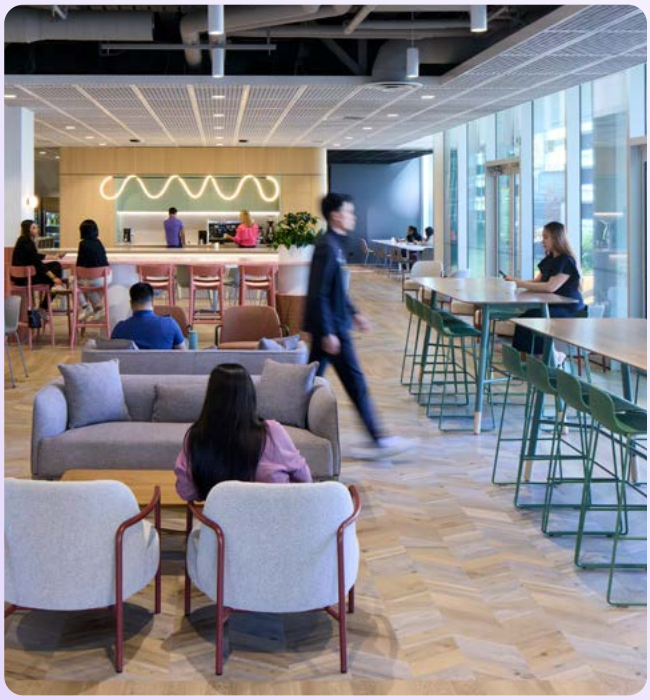
Our people are essential to our business.

We are focused on creating a high-performance culture that offers our people leading-edge learning and development and the opportunity to grow their careers in an inclusive, agile environment.

Operating model transformation

Over the past year Spark has undertaken a large-scale transformation programme, with the realignment of our organisational structure to reflect our changing strategic priorities. This has also included the establishment of several strategic partnerships across our IT delivery model (see page 28), which has brought significant change for our people.

As a result of these changes, we now have 4,043 employees across the business, compared to 5,291 at the end of FY24. It is never easy to make changes to our business that impact our people, and this in no way reflects the quality of our teams. But to deliver a leaner, more competitive business, we have had to make tough but necessary choices to set Spark up for future growth. As we have worked through these changes, we have been focused on supporting our people and teams who have been impacted. All our people are provided with redundancy packages, as well as outplacement support. This includes access to wellbeing services through our wellbeing platform, Clearhead, which provides mental health support tools and the option to access fully funded therapy sessions.



Fifty Albert Street

In December, Spark shifted its Auckland head office to a new location at 50 Albert Street.

The move to Fifty Albert allowed Spark to bring its Auckland teams together into one fit-for-purpose space over six levels, with a smaller and more efficient footprint that better aligned with its leaner workforce and new ways of working.

Fifty Albert has 6-Green-Star and 5-Star-NABERS energy efficiency ratings, aligning to Spark's sustainability ambitions. Multiple open spaces across each floor offer opportunities for our people to come together to collaborate and create innovative products and solutions for our customers.

The building is located in the heart of the city, in close proximity to trains, buses and ferries – providing a range of public transport commuting options for our people.

People engagement

We measure the engagement of our people at least twice a year to understand our people's views and needs. We use a globally recognised measure of engagement that covers pride in working at Spark, whether they would recommend Spark as a great place to work, their level of motivation, and the likelihood of staying with Spark in the near future.

Feedback from these surveys is shared with our people, with improvement actions then co-created within teams to improve our ways of working and culture. At the end of FY25 our people engagement score was 50%, which is down from 67% a year ago. This drop in engagement, while disappointing, is understandable given the scale of operational change in the business and challenging performance context over the past 12 months. It is also in line with the typical reductions experienced by companies going through significant change.

We did see several positive results emerge from this survey, with 85% of our people saying they feel empowered to make decisions in their role, and 79% knowing how their work contributes to the goals of Spark. Feedback on wellbeing and inclusion-related topics were also strong with 83% agreeing that their leader cares about their wellbeing, and 81% saying they bring their authentic self to work.

Despite the decrease in overall people engagement, we remain focused on our ambition to create a culture of high engagement and inclusion and have clear action plans in place – from the Leadership Squad to all individual teams – to return to strong engagement levels, with continual improvement.

Health, safety, and wellbeing

Spark has a well-established health and safety management system, focused on continuous improvement. It covers all Spark employees and contractors working at Spark sites and aligns to the Health and Safety at Work Act (2015) and other relevant legal and regulatory requirements.

During FY25 no Spark employee or contractor suffered serious injury or death whilst at work. Our TRIFR (Total Recordable Incident Frequency Rate) increased to 3.9 per million hours worked, primarily due to an increase in the number of recordable soft tissue injuries. No notifiable events were reported under current New Zealand health and safety legislation.

Spark received one health and safety improvement notice issued by WorkSafe to its subsidiary, Entelar Group. While no harm occurred and no injuries were sustained, the usual safety process was not followed. As a result, Entelar Group reviewed its policy, provided additional training for its warehouse teams and contractors, and built better traffic management plans at its warehouses.

Wellbeing remains a clear priority at Spark through Mahi Tahi, our wellbeing programme. The four pillars of the Mahi Tahi framework are closely aligned with Te Whare Tapa Wha (the four cornerstones of Māori health) – healthy work environment; connection, collaboration, and community; mind health; and energy.

We have an online Wellbeing Hub that includes opportunities for our people to book sessions with Spark-certified Mahi Tahi coaches (who are trained and supervised by psychologists and act as first-line support to our people) or one of our psychologists, who we have partnered with directly to provide specialist care to people in critical need.

We continued our partnership with Clearhead – a wellbeing platform using an online app to support people to proactively manage their mental health and resilience by, providing access to specialised care with trained psychologists and counsellors. We also continue to work with Take A Breath to offer the tools and approaches that help our people improve their energy, reduce anxiety and manage healthy sleep cycles.

We continued to upskill our people through our internal skilling centre, Te Awe.

Investing in learning and development

Continuous learning is a core focus of how we develop our people at Spark. We want to enable personal growth and adaptability, so our people are clear on what our customers want and need, are open to diverse ideas and perspectives, can adapt at pace, and sustain high performance.

Our skilling centre – Te Awe

We continued to upskill our people through our internal skilling centre, Te Awe.

In FY25 we offered programmes in cloud computing in partnership with AWS and Microsoft. We also offered two programmes in Generative AI, with 870 Spark people completing at least one module, and a tiered learning programme via our partnership with Tech Academy, which over 1,000 Spark people participated in.

During the year we also launched a New Zealand Qualifications Authority (NZQA) accredited Generative AI Foundations micro-credential in partnership with Open Polytechnic and Te Pūkenga, that offers our people Level 3 and 4 NZQA credits.

Leadership development

Given the scale and pace of change in our operating environment, adaptive leadership skilling continues to be a key focus for Spark. During FY25 we evolved our leadership standard, which sets consistent company-wide expectations of our senior leaders. The new standard was informed by global research identifying the attributes required for people who are leading transformative change. All of Spark's senior leaders completed an assessment to evaluate their current interpersonal and leadership skills against this standard, as well as opportunities for growth. This then informed ongoing development plans as part of Spark's enduring focus on further upskilling our leaders and embedding our leadership standards across the business.

Diversity, equity, and inclusion

Research demonstrates, and we know from our own experience and agile ways of working, that diverse teams and diversity of thought deliver better business results. This is why our commitment to diversity, equity, and inclusion is a strategic business priority.

In addition to measuring our diversity and setting targets for improvement, we also take the time to celebrate the things that make our teams unique through our 'Blue Heart' programme. In FY25 we celebrated many cultural events that are important to our people, such as Diwali, Eid, Matariki, and Pasifika language weeks.

Te Korowai Tupu

Building our cultural competency in te ao Māori supports our ability to engage our people, our customers, and our communities – particularly iwi. Guided by Te Korowai Tupu, our Māori strategy, we have embedded te ao Māori competency into our learning framework over the past year.

During FY25, over 500 of our people have participated in various learning activities – including te reo Māori or tikanga courses through our partners Te Wānanga o Aotearoa and Education Perfect, Māori development training with Hapai Tūhono, and in-house training. Feedback has been overwhelmingly positive, with increased confidence in engaging with Māori customers and stakeholders.

We celebrated Waitangi Day, Matariki, and Te Wiki o te Reo Māori to encourage engagement with kaupapa Māori and build our people's te reo Māori language skills. A highlight for FY25 was the blessing of our new office in Tāmaki Makaurau (Auckland) by Ngāti Whātua Ōrakei.

Read our Diversity and Inclusion Policy:
spark.co.nz/diversity-policy

Our diversity performance

Over the past year we have continued to focus on improving female representation to achieve our ambition of 40:40:20 representation Spark-wide, which refers to 40% men, 40% women, and 20% of any gender[1]. In FY25, female representation across Spark increased from 34% in FY24 to 35%.

Across our Leadership Squad and senior leaders, we maintained 40:40:20 representation, which is fundamental to reaching our broader diversity ambitions. Our Leadership Squad had a 50% female and 50% male split in FY25. Our Board had a 57% female and 43% male split in FY25, with four female directors (including our CEO) and three male directors. Following the conclusion of the financial year we announced changes to our Board composition, with two directors resigning from the Board, and three new directors joining in FY26. As a result, from October 1 2025, our Board composition will be 50% female and 50% male, meeting our 40:40:20 ambition.

In addition to the tables below, we also publish a stand-alone ESG Data Pack which includes detailed employee reporting, including employees by contract type, benefits available to employees by contract type, and parental leave return rates.

Gender composition by role (with headcounts)[1]

There are an additional 52 people who have not provided/prefer not to disclose their gender.

		Gender[2]				
	Number of people	Female %	Male %	Female #	Male #	Gender diverse
Directors	**7**	**57%**	**43%**	**FY25: 4**	**FY25: 3**	
	-1	-6%	6%	FY24: 5	FY24: 3	
Leadership Squad[3]	**10**	**50%**	**50%**	**FY25: 5**	**FY25: 5**	
	-1	-5%	5%	FY24: 6	FY24: 5	
Other leadership roles[4]	**62**	**45%**	**55%**	**FY25: 28**	**FY25: 34**	
	-10	2%	-2%	FY24: 31	FY24: 41	
Permanent starters	**397**	**48%**	**52%**	**FY25: 189**	**FY25: 208**	
	-447	9%	-7%	FY24: 330	FY24: 497	
Permanent leavers	**1,489**	**29%**	**71%**	**FY25: 437**	**FY25: 1,050**	
	514	-9%	11%	FY24: 369	FY24: 583	
Total[5]	**4,049**	**35%**	**65%**	**FY25: 1,405**	**FY25: 2,576**	**FY25: 10**
	-1,249	1%	-1%	FY24: 1,778	FY24: 3,435	FY24: 16

Age distribution by role (with headcounts)

		Age		
	Number of people	Under 30 years old	30 – 50 years old	Over 50 years old
Directors	7	0%	14%	86%
	-1	No change	No change	No change
Leadership Squad[3]	10	0%	50%	50%
	-1	No change	-5%	5%
Other leadership roles[4]	62	0%	58%	42%
	-10	-2%	0%	2%
Permanent starters	397	38%	55%	7%
	-447	5%	-1%	-4%
Permanent leavers	1,489	4%	67%	28%
	514	-24%	14%	10%
Total[5]	**4,049**	**15%**	**59%**	**26%**
	-1,249	**-2%**	**2%**	**0%**

Spark's ESG Data Pack is available here: spark.co.nz/governance

1. The "20" in the 40:40:20 ratio refers to the remaining portion of a group or team that can be filled by any gender including male, female, non-binary, and other gender identities, allowing for further diversity and inclusion beyond the 40/40 split.
2. For the purposes of NZX Listing Rule 3.8.1(c) no directors or members of the Leadership Squad self-identify as gender diverse.
3. Includes the CEO who is also included as a Director in the line above. The Leadership Squad is considered 'senior managers' for the purposes of the Financial Markets Conduct Act 2013 and 'senior executives' for the purposes of the ASX Corporate Governance Council's Principles and Recommendations.
4. Substantive roles that report directly to members of the Leadership Squad.
5. Includes non-executive directors. Spark's employee headcount, including our CEO, is reported as 4,043.

Reducing our gender pay gap

Our ambition was to reduce our median gender pay gap by 10 percentage points from 28% in FY21 to 18% by the end of FY25. We have made steady progress in recent years, with our closing pay gap at the end of FY25 at 23%. Whilst we did not achieve the 10 percentage point reduction we had targeted, looking ahead to FY26 we will maintain our focus on achieving a reduction in our median gender pay gap with new goals to be set as part of our FY30 strategic ambitions. This will continue to require improvements in female representation and progression in specialist skilled areas and roles as well as a sharper focus on our partnerships, pathways and practices.

Despite the median gender pay gap progress not being as significant as we would have liked by FY25, our mean (average) gender pay gap has continued to improve from 12% in FY24 to 11% in FY25.

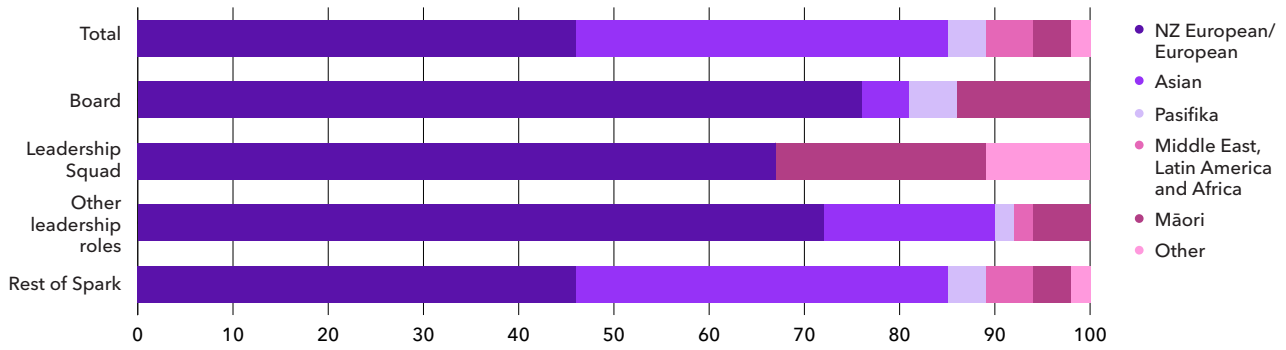
Category	Number of employees in category	Gender gap: mean[1]	Gender gap: median[2]
Leadership:	**FY25: 72 (39 Male, 33 Female)**	**FY25: 4%**	**FY25: 18%**
CEO, Leadership Squad and substantive roles that report directly to members of the Leadership Squad	FY24: 83 (46 Male, 37 Female)	FY24: -1%	FY24: 19%
Technology:	**FY25: 2,001 (1,552 Male, 449 Female)**	**FY25: 10%**	**FY25: 14%**
employees who work in technology-focused areas of the business	FY24: 2,728 (2,081 Male, 647 Female)	FY24: 12%	FY24: 20%
Customer Channels:	**FY25: 791 (394 Male, 397 Female)**	**FY25: 3%**	**FY25: 0%**
people primarily employed within our contact centres and retail operations	FY24: 820 (418 Male, 402 Female)	FY24: 0%	FY24: 0%
Rest of Spark:	**FY25: 1,117 (591 Male, 526 Female)**	**FY25: 18%**	**FY25: 18%**
including corporate, product, marketing, and customer units	FY24: 1,582 (890 Male, 692 Female)	FY24: 16%	FY24: 17%
Total[3]		**FY25: 11%**	**FY25: 23%**
		FY24: 12%	FY24: 22%

1. Pay gap = (mean male salary - mean female salary)/mean male salary
2. Pay gap = (median male salary - median female salary)/median male salary
3. Gender diverse individuals and those who have not provided or prefer not to disclose their gender were excluded from the analysis.

Calculated using hourly On Target Earnings or Total Base Remuneration plus Short-Term Incentive Target values as at 30 June 2025.

Focusing on improving ethnic representation

In FY25 we continued our focus on attracting, retaining, and progressing a diverse range of people across our organisation. Our people identify with 176 unique ethnicities, and this diversity contributes strongly to our workplace culture. We had an ambition to lift Māori and Pasifika representation by 5 percentage points by the end of FY26, which at this point in time has proven challenging. In FY25, Māori and Pasifika represented ~8% of our workforce, which was down on the previous year. We remain committed to improving Māori and Pasifika representation to ensure we reflect New Zealand's changing demographics and the diversity of our customers. As part of our strategic ambitions ahead we will put in place a revised ambition and pathway out to FY30.



Percentages based on permanent and fixed-term employees at Spark; employees as of 30 June 2025 who had provided ethnicity data (n=3179). NZ European/European includes all European ethnicities (e.g. British, German) and Australian European. Spark collects information on main and other ethnicity where an individual identifies with more than one ethnicity. Consistent with the Champions for Change methodology, where an individual reports more than one ethnicity these are represented equally (e.g. two ethnicities represented as 0.5 each).

Remuneration Report

A note from David Havercroft, Chair of the HRCC

As the Chair of the Human Resources and Compensation Committee (HRCC) I am pleased to present Spark's Remuneration Report for FY25.

The HRCC is tasked with reviewing and refining our framework and practices to ensure they remain competitive and fair, to support the attraction, retention, and motivation of a talented workforce. Our approach is underpinned by robust governance and benchmarking against industry standards, ensuring that our policies reflect both market conditions and the long-term interests of our shareholders.

At Spark, in addition to our competitive salaries for our people we operate incentive schemes for our Leadership Squad and a select group of senior leaders that drive business-wide outcomes. Our Short-Term Incentive (STI) focuses on core financial metrics, customer service and for FY26 I am pleased that we are introducing mobile network leadership as a key component. Our Long-Term Incentives (LTI) are focused on sustainable value growth for our shareholders. No STI payments were made for FY25 as the EBITDAI threshold was not met and all options issued through our FY22 LTI, which was due to vest in September 2024, lapsed as the performance hurdle was not achieved.

Recognising the significant transformation programme currently underway, which will underpin business results in the years ahead, we introduced a new transformation delivery incentive for a select group of individuals within the business, including our Leadership Squad. This incentive is equity-based and will vest in September 2027 if partnering and operating model targets are achieved.

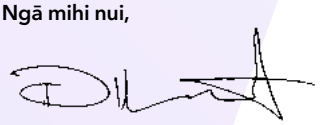
This year we undertook a review of our total remuneration framework. To ensure our continued focus on rewarding contribution and delivery of business performance we made changes to our short-term and long-term performance measures for FY26. In our short-term incentive this includes a stronger weighting of financial metrics, the inclusion of free cash flow alongside EBITDAI and in our long-term incentive the inclusion of both relative and absolute total shareholder return hurdles.

David Havercroft

The HRCC plays a pivotal role in aligning remuneration policies and practices to support business performance and the Committee works hard to acknowledge the needs of both our shareholders and people as it makes decisions and recommendations to the Board. As Chair, I am committed to ensuring that we maintain these robust practices to reward individual and collective success for all our employees.

Over the past year our transformation programme has brought significant change for our people, as we have adapted our business to changing markets. During this time, we have focused on supporting our team members who have been impacted, through the redundancy packages we provide as well as broader outplacement support. I would like to thank all our people for their continued commitment to Spark, and I look forward to FY26 as we start working towards our new five-year strategy ambitions.

Ngā mihi nui,



David Havercroft
Chair of the HRCC

Remuneration at Spark

Spark remunerates our people with salaries in line with the market, alongside consideration of performance, scope, skills, and experience, to recruit and retain the best talent.

We have an annual salary review process for all eligible permanent employees. For most employees this is based on our Contribution Model, which considers employee development in their 'craft' as well as the application of people skills, customer focus, and commercial acumen. The aim is to ensure progression is transparent, with a five-step career ladder from beginner to expert and clearly defined competencies to progress against. Salary ranges for steps are transparent for our people and benchmarked against the New Zealand market.

Fixed remuneration

All Spark employee packages include a fixed remuneration component that is set based on contribution, experience, and market relativities. Fixed remuneration consists of base salary. KiwiSaver sits outside fixed remuneration and as such, employees with KiwiSaver receive employer contributions on top of base salary and incentives. A number of Spark-funded benefits, including medical and life insurances, are also available to eligible employees on top of fixed remuneration.

Short-Term Incentive schemes

Spark operates a small number of Short-Term Incentive schemes, from monthly and quarterly commission and sales incentive plans to annual cash-based short-term incentives. Some employees in specific sales positions may have a component of their remuneration subject to individual or divisional sales performance targets, such that their total remuneration potential is directly linked to the acquisition and retention of profitable business for Spark.

For senior leaders, including the Leadership Squad, a component of their remuneration packages are at risk in the form of a discretionary annual cash-based Short-Term Incentive (STI). Spark's STI scheme rewards senior leaders for the achievement of annual performance objectives, with payments awarded from a fixed pool that is set based on overall Spark performance against financial and/or non-financial annual performance objectives. The actual payment to individuals is at the discretion of the Board.

Eligibility to participate in the STI scheme on an annual basis is at the discretion of the company and is targeted at individuals in senior roles who play a significant role in driving the overall performance of Spark. The STI scheme rules contain a clawback provision that allows Spark to clawback any payments made under the STI scheme. This provision can be used in the event Spark has relied on incorrect data or information in calculating the payment, for a period of 12 months following the payment.

FY25 Short-Term Incentive scheme outcomes

For FY25, substantively all STI participants shared the same Spark Group targets comprising of EBITDAI, customer experience measures, as well as additional measures based on our SPK-26 strategy. The on-target percentages are provided in the table below. Where the result of a performance metric falls below a specified threshold, there is no payment for that proportion of the STI. Where results exceed the target, the payment can scale to up to twice the target percentage, with a maximum overall payment of 200%.

The FY25 Group performance outcome, as approved by the Board, is summarised in the table below.

Performance measure	% of STI	Target	Outcome	Result
Group EBITDAI	50%	$1,163m	0%	Did not meet threshold
Customer experience – iNPS and digital journey completion rate (JCR)	30%	+41 (iNPS)	22.5%	Performance above threshold
		55% (JCR)		Performance above threshold
Digital infrastructure revenue (Data centres, converged tech, IoT)	20%	$105m	15%	Performance above threshold
Total	**100%**		**0%**	No payment through STI scheme as EBITDAI threshold was not met

FY26 Short-Term Incentive scheme target

The mechanics of the FY26 STI will be the same as those for FY25. Group results will be the main determinate of the STI pool, with substantively all participants sharing the same Group measures. The FY26 group measures will be a combination of EBITDAI, free cash flow, customer experience, network leadership and mobile growth.

Measure	Weighting
Core financial metrics (EBITDAI and Free Cash Flow)	50%
Strategy measure – Mobile growth	30%
Customer experience and network leadership	20%

Long-Term Incentive schemes

Spark believes that some senior leaders should have part of their remuneration linked to the long-term performance of the company, so for the Leadership Squad and a select group of senior leaders, a long-term incentive forms part of their remuneration package. Spark's long-term incentive targets focus on total shareholder return, as well as environmental, social and governance targets. In FY25, Spark operated one main scheme: the Spark New Zealand Long Term Incentive Scheme (LTI).

FY22 Long-Term Incentive outcome

The Spark Long-Term Incentive scheme is issued annually with a three-year vesting period. This means the grant scheduled to vest in FY25 was issued in FY22 (September 2021). This grant did not vest in FY25 as the Absolute Total Shareholder Return (TSR) was not achieved.

Grant year	Securities	Performance period	Performance measure	Vesting outcome
FY22	Options	September 2021 – September 2024	Absolute TSR, hurdle – Spark's annual cost of equity + 1% compounding	0%. No options were vested as 3-year TSR result was -14.94% compared with a 32.25% target

FY25 Long-Term Incentive Scheme performance measures

For FY25, members of the Leadership Squad (including the CEO) and selected senior leaders were granted options under the Spark Long-Term Incentive Scheme (LTI). Under the scheme, participants were granted options at the start of the three-year vesting period. The number of options granted equalled the gross LTI value divided by the volume-weighted average price of Spark New Zealand shares for the 20 days prior to the grant date. Subject to satisfaction of each performance hurdle and continued employment, at vesting in three years' time the portion of options associated with each achieved performance hurdle convert to Spark shares based on a zero exercise price. Where a performance hurdle is not met the associated portion of options simply lapse.

Vesting of the FY25 LTI grant (September 2024) is contingent on participants' continued employment with Spark through to September 2027 with vesting depending on meeting or exceeding set performance measures. 75% of the allocated shares will vest based on aTSR exceeding cost of equity +1.5% (compounding annually) over the vesting period and 25% will vest based on performance against environmental and diversity targets. aTSR is a measure of share price appreciation and dividends paid over the three-year period of the grant.

Measure	Target	Vesting outcome
Absolute TSR	Cost of equity + 1.5% compounding	75%
Scope 1 & 2 Emissions	Reduce absolute scope 1 and scope 2 GHG emissions by at least 39.2% against baseline GHG performance	12.5%
Gender pay gap (median)	Reducing gender pay gap by six percentage points to 16%	12.5%

FY26 Long-Term Incentive scheme performance measures

For FY26, members of the Leadership Squad, including the CEO, and selected senior leaders will be granted options under a similar scheme as FY25, with performance measures relating to TSR performance hurdles.

Vesting of the FY26 LTI grant (September 2025) is contingent on participants' continued employment with Spark through to September 2028 and meeting or exceeding set performance measures. 50% of the allocated shares will vest based on a Total Shareholder Return (TSR) exceeding cost of equity + 1% (compounding annually) over the vesting period and 50% will vest based on performance relative TSR against NZX20 comparators. TSR is a measure of share price appreciation and dividends paid over the three-year period of the grant.

Measure	Target	Weighting
Absolute Total Shareholder Return (aTSR)	Cost of equity + 1% compounding	50%
Relative Total Shareholder Return (rTSR)	Upper quartile performance against the NZX20 (excluding Spark)	50%

FY27 Transformation Delivery Incentive

A transformation delivery incentive has been established as an equity-based incentive for a select group of individuals within the business, including our Leadership Squad. This one-off medium-term incentive will vest in September 2027 subject to achieving partnering and operating model targets related to our transformation programme in FY27.

Employee remuneration

The table below shows the number of employees and former employees, not being directors of Spark, who, in their capacity as employees, received remuneration and other benefits during FY25 totalling NZ$100,000 or more.[1]

Range	Current	Former	Total	Range	Current	Former	Total
$100,000 – $110,000	254	65	319	$320,001 – $330,000	3	2	5
$110,001 – $120,000	189	51	240	$330,001 – $340,000	1	3	4
$120,001 – $130,000	237	54	291	$340,001 – $350,000	6	2	8
$130,001 – $140,000	233	51	284	$350,001 – $360,000	3	0	3
$140,001 – $150,000	223	42	265	$360,001 – $370,000	3	0	3
$150,001 – $160,000	188	23	211	$370,001 – $380,000	2	1	3
$160,001 – $170,000	199	28	227	$380,001 – $390,000	2	0	2
$170,001 – $180,000	129	19	148	$390,001 – $400,000	1	0	1
$180,001 – $190,000	114	14	128	$400,001 – $410,000	1	0	1
$190,001 – $200,000	80	20	100	$420,001 – $430,000	1	0	1
$200,001 – $210,000	59	9	68	$430,001 – $440,000	1	0	1
$210,001 – $220,000	35	10	45	$440,001 – $450,000	1	1	2
$220,001 – $230,000	34	7	41	$460,001 – $470,000	2	1	3
$230,001 – $240,000	27	8	35	$470,001 – $480,000	1	1	2
$240,001 – $250,000	22	4	26	$490,001 – $500,000	1	0	1
$250,001 – $260,000	22	2	24	$520,001 – $530,000	1	0	1
$260,001 – $270,000	10	0	10	$540,001 – $550,000	1	0	1
$270,001 – $280,000	12	1	13	$570,001 – $580,000	1	0	1
$280,001 – $290,000	6	2	8	$610,001 – $620,000	1	0	1
$290,001 – $300,000	11	5	16	$650,001 – $660,000	1	0	1
$300,001 – $310,000	4	1	5	$880,001 – $890,000	1	0	1
$310,001 – $320,000	12	2	14				
					2,135	429	2,564

1. Remuneration in the table includes all earnings including base salary, incentive payments, employer KiwiSaver contributions and redundancy payments. The table does not include: amounts paid after 30 June 2025 relating to FY25; long-term incentives that have been granted and have yet to vest (based on grant values, the total value of which as NZ$14.8 million as at 30 June 2025); product and service concessions received by employees; contributions paid towards health and other insurances; and contributions paid to the Government Superannuation Fund (a legacy benefit provided to a small number of employees).

Leadership Squad remuneration

All Leadership Squad packages include a fixed remuneration component that is set based on contribution, experience, and market relativities. Fixed remuneration supports the attraction, motivation, and retention of highly skilled executives. Fixed remuneration consists of base salary and employer KiwiSaver contributions.

A component of each Leadership Squad member's remuneration package is at risk through both the Spark LTI and the discretionary annual cash-based STI schemes. Under the LTI scheme, Leadership Squad members are granted options annually at the start of a three-year vesting period, with vesting subject to the achievement of specific performance hurdles. The STI scheme rewards Leadership Squad members for meeting annual performance objectives, which vary from year to year.

Remuneration mix

The table below shows the standard FY26 remuneration mix for the Leadership Squad expressed as a percentage of fixed remuneration. The LTI values represent the maximum LTI value. The STI scheme is expressed at target, with payment range from no payment, where no target thresholds are met, to a maximum payment of double the target value, where all stretch targets are met. Leadership Squad members will also participate in our FY27 Transformation Delivery Incentive (see page 48) which is a non-recurring component of remuneration.

Leadership Squad remuneration

Long-term incentive	40% of base
Short-term incentive	50% of base
Salary	Base

Performance evaluation

The CEO annually reviews the performance of her direct reports. The evaluation is undertaken using criteria set by the CEO, including the performance of the business, the accomplishment of strategic and operational objectives, and other non-quantitative objectives agreed with the HRCC at the beginning of each financial year. Spark undertakes appropriate checks before appointing someone onto the Leadership Squad.

CEO remuneration

Remuneration policy, strategy, and governance

CEO Jolie Hodson's remuneration package reflects the scope, risk and complexity of her role and is set by the Board with reference to the remuneration of CEOs of similarly sized organisations. For FY26 the Board has resolved that the CEO remuneration package should remain unchanged. While there are no changes to the CEO's contractual remuneration, the Board approved the CEO's participation in the FY27 Transformation Delivery Incentive which is a one-off non-recurring equity-based scheme worth 20% of base salary. Subject to achievement of transformation-related performance targets in FY27 the options would vest in September 2027.

CEO remuneration FY25

For FY25 the CEO's remuneration package comprised of a fixed cash component, an at-risk long-term incentive, to be awarded under the Spark Long-Term Incentive Scheme, and an at-risk short-term incentive. The targets and operation of the CEO's LTI and STI is the same as those applied to other Spark executives and more fully described under *Short-Term Incentive scheme* and *Long-Term Incentive scheme* on pages 47 – 48. The construct of the CEO's remuneration package is such that 60% of her remuneration package is at risk. The table below shows the at target remuneration mix:

Long-Term Incentive	75% of base
Short-Term Incentive	75% of base
Salary	Base

The CEO is also expected to maintain a holding of Spark shares as set out on page 52 of this report.

Remuneration components

Short-Term Incentive scheme

The CEO is eligible for an annual cash-based short-term incentive, subject to the achievement of specific performance objectives set by the Board based on Spark's strategy and business plan for the respective financial year. These objectives will be a combination of financial and non-financial measures. This is covered in more detail in the earlier STI scheme section. The Board assesses the CEO's performance at the end of the financial year to determine the actual payment value of her short-term incentive, which is in the range of 0% to 200% of her target value.

The FY25 Group performance outcome, as approved by the Board and applicable to the CEO, is summarised as follows:

Performance measure	% of STI	Target	Outcome	Result
Group EBITDAI	50%	$1,163m	0%	Did not meet threshold
Customer experience – iNPS and digital journey completion rate (JCR)	30%	+41 (iNPS) 55% (JCR)	22.5%	Performance above threshold Performance above threshold
Digital infrastructure revenue (Data centres, converged tech, IoT)	20%	$105m	15%	Performance above threshold
Total	**100%**		**0%**	No payment through STI scheme as EBITDAI threshold was not met

Long-Term Incentive scheme

For FY25 the CEO's LTI was granted as share options under the Spark Long-Term Incentive Scheme described under *Long-Term Incentive scheme* on page 48.

The LTI component of the CEO's remuneration package is designed to link part of her remuneration to the long-term performance of Spark, and align her interests with those of shareholders, through the grant of options with post-allocation performance hurdles.

Performance hurdles

Performance hurdles apply to Long-Term Incentives granted to the CEO. The hurdles are agreed by the Board and set a minimum level of performance that is required to be achieved over the period of each grant, for the LTI to be eligible to vest. For FY25, the targets were Spark's TSR over the period meeting or exceeding Spark's cost of equity, plus 1.5% compounding annually (75% of grant), and three ESG targets (25% of grant).

Spark must meet or exceed these targets over the period of the grant (from the date the options are granted to the date three years after that date) for the relevant proportion of the options to vest. If Spark does not meet the target, the associated proportion of those options will lapse. Testing to determine whether the TSR performance hurdles have been met will occur at the end of the vesting period of the grant. The Board will receive independent advice to the effect that the performance hurdle has been met, or not met, in determining whether the CEO can exercise the options or whether the options will lapse.

CEO termination

Spark may terminate the CEO's employment with three months' notice. A payment of nine months base remuneration will be made, plus entitlements for annual performance incentives and long-term incentives subject to the rules relating to these incentives, in the case of termination by Spark, other than for termination for cause.

If there is a change of control that results in the CEO no longer being the CEO of a publicly listed company, then she will be able to terminate her employment with three months' notice and receive payment as if Spark had terminated her employment.

Spark may also terminate the CEO's employment without notice for defined causes, in which case she will receive no further entitlement to any remuneration.

CEO remuneration

The table below outlines the total remuneration earned or paid in FY24 and FY25, by and to the CEO, Jolie Hodson. It also includes the target remuneration expected to be earned or paid in FY26.

Period		FY24 actual remuneration ($NZD)	FY25 actual remuneration ($NZD)	FY26 target remuneration ($NZD)
Fixed remuneration[1]	Base salary	$1,266,900	$1,266,900	$1,266,900
	Employer KiwiSaver contributions	$52,152[2]	$37,042	$44,307[3]
Short-Term Incentive (STI)	Earned	$0	$0	$950,175 (if targets achieved)
	Amount earned as % of maximum award	0%	0%	–
Total cash-based remuneration		$1,319,052	$1,303,942	$2,261,382 (total earnings, if targets achieved)
Long-Term Incentive (LTI)[4]	Number of shares vested	0 (187,430) lapsed)	0 (189,846 lapsed)	178,870[5] (if targets achieved)
	% of maximum awarded for the relevant performance period	0%	0%	–
	Market price at vesting date	–	–	–
Total (Fixed remuneration + STI + LTI vested)		**$1,319,052**	**$1,303,942**	**$2,261,382**[6] (if targets achieved)

1. Excludes value of employee benefits including Spark mobile and broadband credit, life insurance and medical insurance.
2. Includes KiwiSaver contributions paid in FY23 STI.
3. Employer KiwiSaver contributions increase to 3.5% of base salary from 1 April 2026.
4. The LTI for FY24 was issued in FY21, FY25 LTI was issued in FY22, FY26 LTI was issued in FY23.
5. Options scheduled to vest in September 2025 subject to performance hurdles.
6. Excludes LTI as these options are not vested. Based on closing market price as at 30 June 2025 these options, if vested, would be worth $402,476.

The CEO's FY22 long-term grant, issued in 2021, did not vest in FY25 (September 2024) as the Absolute TSR hurdle was not achieved:

Grant year	Securities	Performance period	Performance measure	Vesting outcome	Options lapsed	Value transferred
FY22	Options	September 2021 – September 2024	Absolute Total Shareholder Return (TSR), hurdle – Spark's annual cost of equity + 1% compounding	0% – 3 year TSR result was -14.94% compared with a 32.25% target	189,846	NZ$0

The CEO is expected to acquire and hold shares that are at least equivalent in value to 25% of the CEO's base salary. Ideally this shareholding would increase to 100% of base salary subject to the vesting of shares under any Long-Term Incentive schemes. To fulfil this expectation shares are to be acquired within a four-year period from 1 July 2019. As at 30 June 2025 the CEO held 311,830 ordinary shares which exceeded the expected shareholding requirement to hold shares that are at least equivalent in value to 25% of the CEO's base salary.

Board remuneration

Director remuneration

The remuneration of directors is reviewed annually by the Human Resources and Compensation Committee (HRCC), taking account of the company's size and complexity and the responsibilities, skills, performance, and experience of the directors, with recommendations made to the Board for approval. Specialist independent consultants may be engaged from time to time to provide advice and ensure that the remuneration of Spark's directors is appropriate and comparable to that of similar companies in New Zealand and Australia.

Apart from the CEO, no director of Spark receives compensation in the form of share options or restricted shares, nor do they participate in any bonus or profit-sharing plan. Non-executive directors are, however, expected to maintain a holding of Spark shares as set out on page 60 of this report. As is the case for employees, directors are required to comply with the Insider Trading Policy when buying or selling Spark shares and any such transactions are disclosed to the market.

Remuneration components

No superannuation or retirement allowance was paid to any Spark director during FY25. Spark does not have service contracts with any director, apart from the CEO, that provide for any benefits or remuneration in the event that a director's service with Spark is terminated. New Zealand-based non-executive directors are eligible for Spark-funded medical insurance, and all non-executive directors are also eligible for Spark-funded life insurance.

FY25 director remuneration

The total remuneration available to non-executive directors is fixed by shareholders. The current annual remuneration limit is $1,630,000 approved at the annual meeting held in November 2017.

The fees payable to non-executive directors during FY25 were:

Board/Committee[1]	Chair[2]	Member[3]
Board of Directors	$381,700	$150,300
Audit and Risk Management Committee (ARMC)	$40,500	$19,700
Human Resources and Compensation Committee (HRCC)	$34,700	$17,400

1. All non-executive directors are members of the Nominations and Corporate Governance Committee (NOMs) and receive no additional fees for this role.
2. Committee Chair and member fees were not payable to the Chair of the Board. Committee member fees were not payable to committee Chairs.
3. Member fees were payable for each committee.

There is no increase to non-executive director fees for FY26. Fees will continue to be paid out of the current shareholder-approved annual remuneration limit of $1,630,000.

The total remuneration received by non-executive directors of Spark during FY25 was as follows:[1]

Name of Director	Board fees[2]	Audit & Risk Management Committee fees	Human Resources and Compensation Committee fees	Total remuneration[3]
Justine Smyth	$381,700	–	–	$381,700
Alison Barrass[4]	$50,644	–	$11,692	$62,336
Warwick Bray	$150,300	$19,700		$170,000
Sheridan Broadbent	$150,300	$19,700	$17,400	$187,400
David Havercroft	$150,300	–	$26,050[5]	$176,350
Gordon MacLeod	$150,300	$40,500	–	$190,800
Lisa Nelson	$150,300	$19,700	$17,400	$202,400[6]
Total	**$1,183,844**	**$99,600**	**$72,542**	**$1,370,986**

1. The figures shown are gross amounts and exclude GST (where applicable) and are rounded to the nearest dollar.
2. All non-executive directors are members of the Nominations and Corporate Governance Committee (NOMs) and receive no additional fees for this role.
3. This table excludes contributions towards medical and life insurance of a total of $32,512. Spark meets costs incurred by directors that are incidental to the performance of their duties. This includes providing New Zealand-based directors with mobile phones and $120 per month which can be used towards Spark products or services and overseas-based directors with $400 per month phone allowances. Spark also meets the costs of directors' Spark-related travel. As these costs are incurred by Spark to enable directors to perform their duties, no value is attributable to them as benefits to directors for the purposes of the above table.
4. Ms Barrass resigned as a director from 1 November 2024.
5. Mr Havercroft was appointed Chair of the HRCC from 4 December 2024.
6. This figure includes the additional $15,000 Ms Nelson earned as a member of the MATTR Investment Committee during FY25.

Other directors' fees

Mr Richard Quince received a director's fee of NZ$5,000 (excluding GST) for acting as a director of Teleco Insurance (NZ) Limited. No other director of any subsidiary received any director's fees or other benefits except as an employee.

Governance

Corporate governance

Stock exchange listings

Spark's ordinary shares are listed on the NZX and ASX. Spark is admitted to the Official List of ASX as a foreign exempt issuer. As a NZX listed issuer and ASX foreign exempt issuer, Spark complies with NZX Listing Rules and applicable ASX Listing Rules.

Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs) are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon.

Spark Finance Limited, a wholly owned subsidiary of Spark New Zealand Limited, has debt securities listed on the NZDX.

Details of debt securities issued by Spark Finance Limited can be found in Spark Finance Limited's reports at: investors.sparknz.co.nz/Investor-Centre

Maintaining high standards of corporate governance

The Board regularly reviews and assesses Spark's governance structures and processes to ensure they are consistent with international best practice, in both form and substance.

Spark has complied with the recommendations of the NZX Corporate Governance Code (dated 31 January 2025) and substantially complied with the principles and recommendations of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition) for the FY25 reporting period.

Spark is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013 and is accordingly required to prepare climate-related disclosures for the year ending 30 June 2025.

Details of Spark's corporate governance statement, climate-related disclosures, and governance policies and processes: spark.co.nz/governance

Ethics and legal compliance

Under our Code of Ethics all our people are responsible for ensuring we behave ethically and comply fully with all applicable laws and regulations. Spark's Legal and Compliance Policy sets out the specific accountabilities that our people have for complying with the law.

Every employee is required to complete online training modules on the Code of Ethics, and we reinforce this training through regular communication across the business.

We also engage constructively with the Commerce Commission and other regulators both proactively and reactively, to ensure we are complying with all applicable laws and regulations.

There were no significant instances of non-compliance with laws or regulations, including in respect of marketing communications, in FY25.

There is a requirement for all our employees and contractors to complete mandatory e-learning modules to ensure proficiency in core foundational areas, such as health and safety, legal, privacy, decision-making, and security.

As part of our ISO 27001 accreditation there are additional modules required for completion prior to gaining access to systems and sensitive information, to maintain high quality standards when dealing with information, customer data, and security. These are closely monitored and audited, and we undertake recertification every three years, with the last certification issued in July 2023.

The Board

The Board of Spark New Zealand is responsible for overseeing the company's governance and ensuring long-term value creation for shareholders. It provides strategic guidance, monitors performance, and ensures that the business upholds high standards of governance, ethics, and compliance. While day-to-day operations are delegated to the Chief Executive, the Board maintains accountability through a formal framework that distinguishes its role from management.

Strategic role of the Board

Spark's Board works closely with the Leadership Squad on key decisions, oversees financial performance, and sets targets for executive remuneration through its involvement in annual and long-term planning processes. In FY25, the Board navigated challenging operating conditions by taking decisive action to improve performance and deliver sustainable competitive advantage in future years. This included endorsing a significant transformation of Spark's operating model, and technology and network operations, to deliver a net labour and Operating Expenses (opex) reduction of $80–$100 million. At the heart of this transformation was simplifying our portfolio to focus on our telco core, which included approving the sale of Spark's remaining Connexa stake for $309 million, and accelerating our data centre expansion through a capital partnership. Beyond financial oversight, the Board monitors critical non-financial areas, such as employee engagement, customer experience, governance, health and safety, sustainability, cyber security, modern slavery, and risk management, including climate change risk.

Board renewal and succession

Spark has an ongoing Board succession programme, which is focused on finding new directors with relevant skills and experience that complement the diverse perspectives already represented around the table. Succession planning is overseen primarily by the Nominations and Corporate Governance Committee (NOMs) which includes all non-executive Board members.

Three new directors, Lindsay Wright, Vince Hawksworth, and Tarek Robbiati, were appointed to the Board as independent, non-executive directors at the start of FY26. Lindsay Wright joined the Board effective 1 August 2025, while Vince Hawksworth and Tarek Robbiati will join effective 1 October 2025.

Gordon MacLeod and Sheridan Broadbent will retire from the Board in FY26.

At the start of FY26, the Board announced that it is actively assessing potential Chair succession candidates.

The Board skills matrix below outlines the qualifications, capabilities, geographic location, tenure, and gender of each member of the Board as of 30 June 2025, and the incoming directors for FY26. Ethnicity information is available on page 45 of this report.

Board skills matrix

To emphasise skills, the Board have specifically limited each director to a maximum of six capabilities, including up to three high capabilities.

						Directors leaving the Board in FY26		Directors joining the Board in FY26		
	Justine Smyth	**David Havercroft**	**Jolie Hodson**	**Lisa Nelson**	**Warwick Bray**	**Sheridan Broadbent**	**Gordon MacLeod**	**Lindsay Wright**	**Vince Hawksworth**	**Tarek Robbiati**
Qualifications	BCOM, FCA, CFINSD	BA	BCOM, FCA	BA, CPA	BSC. (HONS), MBA	BCOM	BCOM, FCA	BCOM	HND, CEI(P3), MBA	MSC, MBA
Capability										
Strategic knowledge for scale telco/ technology businesses	●	●	●	●	●	●				●
Financial/commercial	●	●	●	●	●		●	●		●
Risk management/ regulatory and/or sustainability	●	●	●			●	●	●	●	●
Customer insight/ retail/brand	●		●	●	●		●		●	●
People leadership and culture		●	●			●	●	●	●	
Listed company governance	●	●		●	●	●	●	●	●	
Capital markets/ capital structure	●			●	●	●	●	●	●	●
Digital/data/ new markets		●	●	●	●	●		●	●	●
Geographical location	NZ	NZ	NZ	USA	Australia	NZ	NZ	NZ	NZ	USA
Tenure (years)	**13.7**	**3.9**	**5.9**	**1.2**	**5.9**	**3**	**3**	**0**	**0**	**0**
Gender	**F**	**M**	**F**	**F**	**M**	**F**	**M**	**F**	**M**	**M**

KEY: ● **High capability** ● **Medium capability**

Definitions of categories of capability:

Strategic knowledge for scale telecommunications and technology businesses: experience as a senior executive in, or as a strategy professional advisor to, large telecommunications and/or technology businesses

Financial/commercial: a strong accounting or finance background and understanding of financial statements and reporting, key drivers of financial performance, corporate finance and internal controls, most likely being a chartered accountant having held the position of Chief Financial Officer (CFO) in a publicly listed company, or senior leadership position in a professional services/advisory firm.

Risk management/regulatory and/or sustainability: experience in identifying and mitigating both financial and non-financial risks, influencing public and regulatory policy decisions and outcomes, or strong understanding and governance experience in the oversight and management of sustainability risks and opportunities.

Customer insight/retail/brand: experience as a senior executive responsible for driving customer experience within a large-scale customer or retail organisation by effectively using insights, optimising customer journeys, and building brands or demonstrated experience in governance roles within large-scale customer and retail organisations, providing strategic oversight and accountability for customer experience, brand development, and commercial outcomes.

People leadership and culture: experience as a senior executive responsible for building and overseeing organisational culture, people leadership and development, setting remuneration frameworks and promoting diversity and inclusion within a publicly listed or large private standalone company.

Listed company governance: listed company Board experience other than Spark. Experience with sophisticated governance structures.

Capital markets/capital structure: strong knowledge of debt and equity capital markets, and experience with mergers and acquisitions, and/or dealing with a range of funding sources and capital structuring models.

Digital/data/new markets: experience as a senior executive in, or as a professional advisor to, digital and/or data businesses, or businesses in emerging or new markets. Experience in the use of digital channels and the latest innovative and digital technologies.

Director independence

Spark is committed to maintaining a Board where the majority of directors are independent, and free from any interests or relationships that could compromise (or appear to compromise) their ability to exercise objective and impartial judgement.

When assessing the independence of directors, the Board considers a number of factors including those set out in the Board Charter and in the NZX Corporate Governance Code. The Board has determined, based on information provided by directors regarding their interests, that as at 30 June 2025 Mr Bray, Ms Broadbent, Mr Havercroft, Mr MacLeod, Ms Nelson and Ms Smyth were independent. The Board determined that Ms Hodson was not independent due to her position as CEO.

The Board (other than Ms Smyth) has considered the tenure of Ms Smyth who has been a director for 13.7 years, and Chair for 6.9 years as at 30 June 2025. The Board considers Ms Smyth's understanding of Spark, and experience and skills in the industry adds ongoing value to Spark. The Board is of the view that Ms Smyth's tenure does not interfere with her capacity to bring an independent judgement to bear on issues before the Board, act in the best interests of Spark, and represent the interests of its financial product holders generally. The Board also does not consider that Ms Smyth's independence could reasonably be perceived to be materially affected by her board compensation or distributions from Spark shares.

The NZX Corporate Governance Code commentary on factors to be considered when determining director independence now includes guidance on calculating whether a director derives a substantial portion of their annual revenue from the issuer. NZX would not expect the factor to apply unless a director derives at least one-third of their annual revenue from the issuer[1]. Using this threshold, Ms Smyth and Mr MacLeod's Spark director fees and distributions from Spark shares held, were a substantial portion of their revenue during FY25. The Board (excluding those directors) remains of the view that Ms Smyth and Mr MacLeod are "independent", as it is satisfied that revenue derived from Spark does not materially affect Ms Smyth and Mr MacLeod's capacity to bring an independent view to decisions in relation to Spark given their broader financial position and circumstances.

The criteria for determining director independence and conflict of interest is in the Board Charter at:
spark.co.nz/governance

1. NZX Issuer Update – 11 March 2025.

Board committees

The Board has three permanent committees that support the Board by working with management on relevant issues and then report back to the Board. Committee membership as at 30 June 2025 was as follows:

Human Resources and Compensation Committee	Audit and Risk Management Committee	Nominations and Corporate Governance Committee
David Havercroft (Chair)	Gordon MacLeod (Chair)	Justine Smyth (Chair)
Sheridan Broadbent	Warwick Bray	Warwick Bray
Lisa Nelson	Sheridan Broadbent	Sheridan Broadbent
	Lisa Nelson	David Havercroft
		Gordon MacLeod
		Lisa Nelson

Board and committee meeting attendance for FY25

The Board held eight standard meetings and seven special meetings during FY25. The table below shows Director attendance at these Board meetings and committee member attendance at committee meetings. Sub-committees of the Board also met regularly throughout the year to consider matters of special importance.

	Board	ARMC	HRCC	NOMs
Total number of meetings held	15	5	7	8
Alison Barrass[1]	7	–	3	2
Warwick Bray	13	5	–	8
Sheridan Broadbent	15	5	7	8
David Havercroft	14	-	7	8
Jolie Hodson[2]	15	5	7	2
Gordon MacLeod	15	5	–	8
Lisa Nelson	13	5	7	7
Justine Smyth[3]	15	5	7	8

1. Ms Barrass resigned as a director from 1 November 2024.
2. Ms Hodson attended ARMC and HRCC meetings in an ex officio capacity as Executive Director. Ms Hodson resigned as a member of the NOMs from the end of the Board meeting held on 31 October 2024.
3. Ms Smyth attended ARMC meetings in an ex officio capacity.

Company Secretary

Spark's Company Secretary is responsible for supporting the effectiveness of the Board by ensuring that its policies and procedures are followed and for coordinating the completion and dispatch of the Board agendas and papers. The Company Secretary is a position distinct from the Leadership Squad and is accountable to the Board, via the Chair, on all governance matters, as further described in the Board Charter.

Director interests

In accordance with sections 140 and 211(e) of the Companies Act 1993, the table below lists the general disclosures of interests made by directors in the interests register that remain current, including changes made to those interests during FY25:

Director	Entity	Relationship
Justine Smyth	Mondiale VGL Group Limited	Chair
	Breast Cancer Foundation NZ	Chair and Trustee
	MATTR Limited	Director
Alison Barrass[1]	Rockit Global Limited (and related companies)	Director and shareholder
	Tom & Luke Holdings Limited	Chair**
	Babich Wines Limited	Chair
	Zespri Group Limited	Director
	Institute of Directors	Chair of the Nominations Committee
	AA Insurance Limited	Chair
	Vero Insurance New Zealand Limited	Director
	Asteron Life Limited	Director
	Vero Liability Insurance Limited	Director
	Precinct Properties Limited	Director*
Warwick Bray	Woolworths Group Limited	Director
	Minter Ellison	Director*
Sheridan Broadbent	Manawa Energy Limited	Director[2]
	Business Leaders' H&S Forum	Chair*
	Downer EDI Limited	Director
David Havercroft	W3 Capital Limited	Director and shareholder
	Westpac New Zealand Limited	Director
	The Guitar Gallery Limited	Director and shareholder
	Medical Assurance Society New Zealand Limited	Technology advisor*
	Tait Systems NZ Limited	Director*
Jolie Hodson	NZ Telecommunications Forum Inc.	Chair
	Climate Leaders Coalition	Member of the Coalition's CEO Steering Group
	Nominating Committee for the Climate Change Commission	Member*
	MATTR Limited	Director
Gordon MacLeod	Delegat Group Limited	Director
	Spanbild Holdings Limited	Advisory Chair
	Breast Cancer Foundation NZ	Trustee
Lisa Nelson	Astra Space Inc	Chair of the Compensation Committee**
	Destiny Tech100 Inc	Chair of Audit Committee
	Seattle Bank	Director**
	MATTR Limited Investment Committee	Committee Member
	Banqer Limited	Director

1. Ms Barrass resigned as a Director from 1 November 2024.
2. Ms Broadbent resigned as a director of Manawa Energy Limited on 11 July 2025.

* Entries added by directors and effective during the year ended 30 June 2025.

** Entries removed by directors during the year ended 30 June 2025.

Directors disclosed, pursuant to section 148 of the Companies Act 1993, the following acquisitions and disposals of relevant interests in Spark shares during FY25:

Name	Date	Nature of transaction	Consideration	Number of shares
Sheridan Broadbent	26 February 2025	Purchase of ordinary shares by FNZ Custodians Limited on behalf of Mariachi Desperados Trust (beneficial ownership Sheridan Broadbent)	$23,669	10,000
Jolie Hodson	23 September 2024	Issue of options (vests in 2027, subject to performance hurdles)	Services to Spark	272,031
	24 September 2024	Lapse of options	Services to Spark	(189,846)
Gordon MacLeod	26 August 2024	Purchase of ordinary shares	$50,386	12,500
	29 August 2024	Purchase of ordinary shares	$49,990	13,700
	25 February 2025	Purchase of ordinary shares	$34,728	14,700
	28 March 2025	Purchase of ordinary shares	$34,988	16,785
Lisa Nelson	23 December 2024	Purchase of ordinary shares by Sharesies Nominee Limited on behalf of Lisa Nelson	$53,000	18,661
	9 April 2025	Purchase of ordinary shares by Sharesies Nominee Limited on behalf of Lisa Nelson	$20,218	9,982
Justine Smyth	20 December 2024	Purchase of ordinary shares by Sharesies Nominee Limited as custodian for Smylone Trust (beneficial ownership Justine Smyth)	$180,000	63,483
	20 December 2024	Purchase of ordinary shares by Sharesies Nominee Limited as custodian for Justine Smyth	$59,612	21,065
	23 December 2024	Purchase of ordinary shares by Sharesies Nominee Limited as custodian for Justine Smyth	$75,000	25,853
	13 March 2025	Purchase of ordinary shares by Sharesies Nominee Limited as custodian for Smylone Trust (beneficial ownership Justine Smyth)	$115,012	50,992
	3 April 2025	Purchase of ordinary shares by Sharesies Nominee Limited as custodian for Smylone Trust (beneficial ownership Justine Smyth)	$410,025	200,000

As at 30 June 2025 directors, or entities related to them, held relevant interests (as defined in the Financial Markets Conduct Act 2013) in Spark shares as follows:

	Relevant interest in Spark shares as at 30 June 2025	
Name	**Number**	**%**[1]
Warwick Bray	31,230[2]	0.002
Sheridan Broadbent	40,000[3]	0.002
David Havercroft	100,086	0.005
Jolie Hodson	951,198[4]	0.050
Gordon MacLeod	67,685	0.004
Lisa Nelson	28,643[5]	0.002
Justine Smyth	861,594[6]	0.046

1 Each percentage stated has been rounded to the nearest 1/1000th of a percent.
2 Relevant interest in beneficial ownership of 31,230 ordinary shares held by WDB Insight Pty Limited
3 Relevant interest in beneficial ownership of 40,000 ordinary shares held by FNZ Custodians Limited on behalf of Mariachi Desperados Trust.
4. Includes 311,830 ordinary shares and 639,368 options.
5. Relevant interest in beneficial ownership of 28,643 ordinary shares held by Sharesies Nominee Limited as custodian for Lisa Nelson.
6. Relevant interest in beneficial ownership of 375,201 ordinary shares held by Miksha Trust, beneficial ownership of 125,000 ordinary shares held by PJ Trust, beneficial ownership of 314,475 ordinary shares held by Sharesies Nominee Limited as custodian for Smylone Trust and 46,918 ordinary shares held by Sharesies Nominee Limited as custodian for Justine Smyth.

All non-executive directors are expected to hold Spark shares. Subject to personal circumstances (that should be discussed with the Chair or, in the case of personal circumstances of the Chair, with the Chair of the ARMC, as appropriate), there is an expectation that each non-executive director will purchase and hold an amount of shares that are at least equivalent in value to the non-executive director base member fee as at the date of their appointment or, in the case of directors appointed before 1 July 2017, this was as at 1 July 2017. Shares are to be purchased within a three-year period from the date of appointment or, in the case of directors appointed before 1 July 2017, this was within a three-year period from that date. To assess whether this expectation has been met, the aggregate purchase price for all shares acquired, less the aggregate sale price for all shares disposed (if any), is used to calculate value.

Directors' insurance

Directors disclosed, for the purposes of section 162 of the Companies Act 1993, that insurance was renewed for Spark's directors and senior managers for the 12-month period from 1 June 2025 and deeds of indemnity provided to all directors and specified senior managers of Spark.

Shareholdings

As at 30 June 2025 there were 1,889,322,507 Spark ordinary shares on issue, each conferring to the registered holder the right to one vote on a poll at a meeting of shareholders on any resolution, held as follows:

Size of holding	Number of holders[1]	%	Number of shares	%
1–1,000	12,527	28.66	6,157,102	0.33
1,001–5,000	17,295	39.56	45,838,244	2.43
5,001–10,000	6,465	14.79	48,372,691	2.56
10,001–100,000	7,055	16.14	177,008,316	9.37
100,001 and over	373	0.85	1,611,946,154	85.31
Total	**43,715**	**100.00**	**1,889,322,507**	**100.00**

1. Includes:
- 211,092 shares on issue held by Spark Trustee Limited on behalf of 43 holders of Spark Share (FY24: 410,834 shares on issue held by Spark Trustee Limited on behalf of 346 holders of Spark Share); and
- 1,897,654 shares on issue held by Sharesies Nominee Limited on behalf of 1,284 holders of Spark Share (FY24: 1,636,356 shares on issue held by Sharesies Nominee Limited on behalf of 1,474 holders of Spark Share).

The 20 largest registered holders of Spark shares at 30 June 2025 were:

Name[1]		Number of shares	%
1.	HSBC Nominees (New Zealand) Limited[2]	218,825,554	11.58
2.	HSBC Nominees (New Zealand) Limited[2]	144,364,622	7.64
3.	BNP Paribas Nominees NZ Limited[3]	119,442,937	6.32
4.	Accident Compensation Corporation	104,658,264	5.54
5.	JP Morgan Chase Bank	86,669,605	4.59
6.	Citicorp Nominees Pty Limited	82,946,609	4.39
7.	HSBC Custody Nominees (Australia) Limited	76,863,879	4.07
8.	Custodial Services Limited	75,770,407	4.01
9.	New Zealand Superannuation Fund Nominees Limited	72,847,068	3.86
10.	Citibank Nominees (NZ) Limited	68,449,009	3.62
11.	New Zealand Depository Nominee	47,117,970	2.49
12.	FNZ Custodians Limited	39,585,044	2.10
13.	JB Were (NZ) Nominees Limited	39,404,562	2.09
14.	JP Morgan Nominees Australia Pty Limited	39,169,425	2.07
15.	Tea Custodians Limited	36,748,706	1.95
16.	New Zealand Permanent Trustees Limited	36,658,023	1.94
17.	Forsyth Barr Custodians Limited	36,223,362	1.92
18.	Premier Nominees Limited	31,975,091	1.69
19.	BNP Paribas Nominees NZ Limited[3]	24,111,994	1.28
20.	Public Trust	21,434,828	1.13

1. The shareholding of New Zealand Central Securities Depository Limited (custodian for members trading through NZClear) has been reallocated to the applicable members.
2. Has a different holder identification number to the other HSBC Nominees (New Zealand) Limited entry.
3. Has a different holder identification number to the other BNP Paribas Nominees NZ Limited entry.

According to substantial holder notices as at 30 June 2025 the substantial holders in Spark were as follows:

Name	Number of ordinary shares	% of ordinary shares on issue[1]
Blackrock, Inc. and related bodies corporate	148,833,289	7.88
Accident Compensation Committee	96,086,003	5.09

1. Based on issued share capital of 1,889,322,507 as at 30 June 2025.

Subsidiary company directors

The following people held office as directors of subsidiary companies at 30 June 2025. Alternate directors are indicated with an (A).

Subsidiary company	Principal activity	Current directors	Directors who retired during the year
Adroit Holdings Limited	Environmental IOT solutions	S Taylor, L Urquhart	S Knight, M Stribling
Adroit IOT Limited	Environmental IOT solutions	S Taylor, L Urquhart	S Knight, M Stribling
Adroit Research Limited	Environmental IOT solutions	S Taylor, L Urquhart	S Knight, M Stribling
Computer Concepts Limited	IT infrastructure and Cloud services	M Anastasiou, M Beder, S Taylor	S Knight

Subsidiary company	Principal activity	Current directors	Directors who retired during the year
Entelar Group Limited	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services	H Polglase, M Sheppard, R Mateparae	
Gen-i Australia Pty Limited	Provides international, wholesale and outsourced telecommunications services	F Evett, I Hopkins	
MATTR Limited	Software company focused on decentralised identity and verifiable data	C Barber, J Hodson, J Smyth, S Taylor	S Knight
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data	M Leydin, S Le Verne, L McIntyre	F Evett
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data	C Barber, L McIntyre	N Fitzgerald
Qrious Limited	Data analytics business	M Anastasiou, S Taylor	S Knight
Revera Limited	IT infrastructure and data centre provider	M Anastasiou, S Taylor, M Beder	S Knight
Spark Finance Limited	Group finance company	M Anastasiou, M Sheppard, S Taylor	S Knight
Spark New Zealand Cables Limited	Investment company	M Sheppard, L Urquhart	
Spark New Zealand Trading Limited	Telecommunications and digital services company	M Anastasiou, M Beder, S Taylor	S Knight
Spark Trustee Limited	Trustee company	M Anastasiou, S Taylor	S Knight
TCNZ Australia Investments Pty Limited	Australian operations	F Evett, I Hopkins	
TCNZ (Bermuda) Limited	Holding company	J Wesley-Smith, J Wong	
TCNZ Financial Services Limited	Investment company	M Anastasiou, F Evett	
TCNZ (United Kingdom) Securities Limited	Holding/investment company	F Evett, J Reader, ManCorp (UK) Limited	
Teleco Insurance Limited	Group insurance company	R Deacon, M Sheppard, N Frost, F Evett (A)	S Knight
Teleco Insurance (NZ) Limited	Former mobile phone insurance company	S Taylor	S Knight, R Quince
Telecom Capacity Limited	Holding company	J Wong, S Taylor	S Knight
Telecom Enterprises Limited	Investment company	M Anastasiou, S Taylor	S Knight
Telecom New Zealand (UK) Enterprises Limited	Holding/investment company	F Evett, M Sheppard	
Telecom New Zealand USA Limited	Provides international wholesale telecommunications services	J Wong, J Martin	
Telecom Pacific Limited	Holding company	M Anastasiou, M Sheppard	
Telecom Southern Cross Limited	Holding company	M Anastasiou, S Taylor	S Knight
Telecom Wellington Investments Limited	Investment company	M Anastasiou, F Evett	

The interest registers for the employee directors of the Spark subsidiary companies were updated for FY25 to reflect any changes noted in the table above.

In addition, Ms Anastasiou updated her interest registers for FY25 to reflect her ceasing to be a director on Connexa Limited, SamCo Holdings Limited, Frodoco Holdings Limited and Hutchison Telecommunications (Australia) Limited.

Tax governance

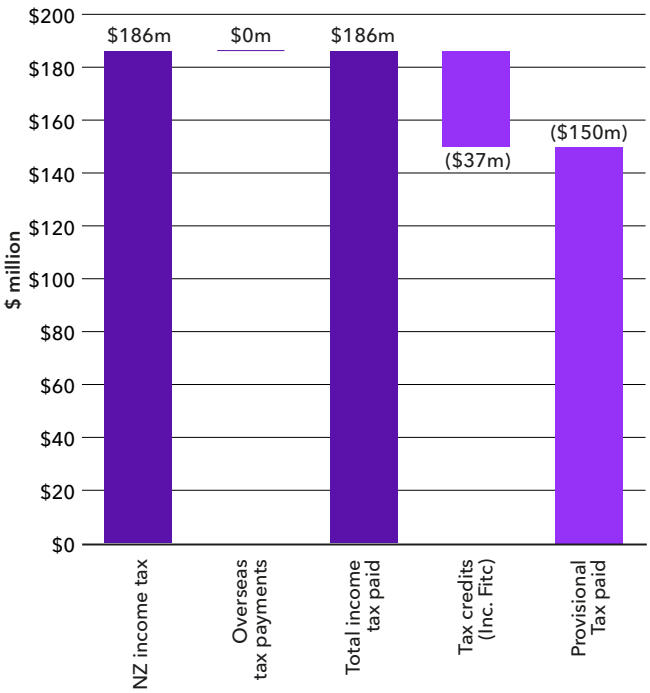
Spark's Tax Strategy demonstrates our commitment to the highest standards of tax governance and compliance with tax laws. As a New Zealand-based company we believe that it is important to clearly articulate our tax contribution in a transparent manner to provide certainty and confidence to our stakeholders. As a large business, we make a significant contribution to New Zealand's tax base, including contributing $186 million of New Zealand income taxes during FY25 (before any tax credits were applied).

In FY25 Spark's effective tax rate was 27.4%, which is marginally lower than the headline corporate tax rate of 28%, mainly due to the impact of the Connexa transaction.

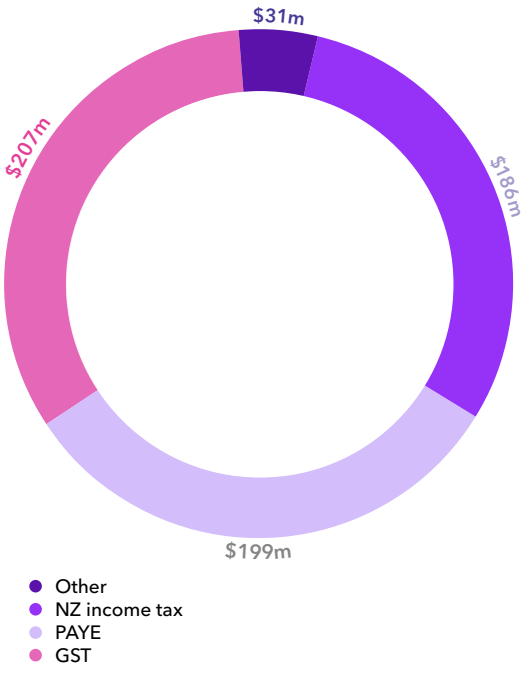
Spark's contribution extends beyond income tax and covers a broad range of tax collection and remittance obligations across various tax types. In FY25 those obligations resulted in a total of $623 million of taxes under management (FY24: $587m).

Spark's tax strategy: spark.co.nz/governance

Breakdown of income tax payments FY25



Taxes under management



ESG governance

Our Sustainability Framework

Toitū Sustainability at Spark is integrated into our ways of operating and governance at Spark. Our Sustainability Framework focuses our ESG activities in the areas we can make the most meaningful impact and outlines our approach to ESG.

In FY25 we refreshed our Sustainability Framework as part of the launch of our new FY30 strategy.

Our sustainability commitment is 'to create a better digital world', which we define as low-impact, with high connectivity, and which is equitable and trusted.

The framework is informed by our materiality assessment (see page 126).

Toitū Sustainability Spark

A better digital world

Low-impact, high connectivity

We will reduce our environmental impact and enable Aotearoa to do the same through technology

Equitable and trusted

We will champion digital equity and build trust in our digital products and services

In our business

Reduce our environmental impact, with a focus on efficiency and emissions reduction

KPI: Reduce Scope 1 and 2 emissions 56% and achieve 100% renewable electricity by FY30

Deliver trusted digitalproducts with a focus on privacy, data ethics, and responsible AI

KPI: Maintain top quartile performance in the WBA Digital Equity Benchmark

Suppliers and partners

Engage our suppliers to address our upstream environmental impacts

KPI: 70% of suppliers by spend with science-based targets by 2026 (absolute scope 3 ambition to be established for FY30)

Engage our suppliers to identify and address social risks in their businesses

KPI: Five annual JAC audits driving issue identification and remediation

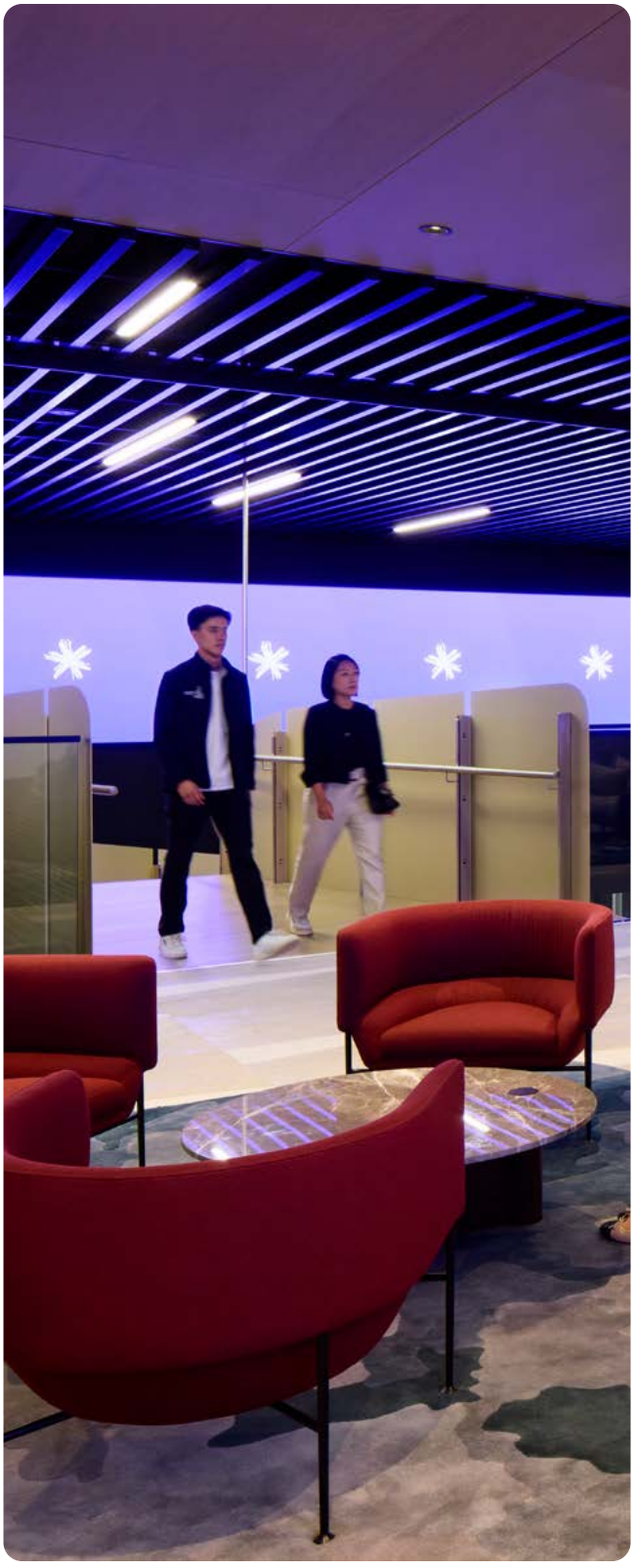
Customers and communities

Support Aotearoa's transition to a resilient, low-emissions future

KPI: maintain leading performance for reliability and coverage (as measured by Opensignal annually)

Champion digital equity with a focus on access, skills, and wellbeing

KPI: Extend the reach of our not-for-profit broadband service Skinny Jump



Integrating ESG into our governance processes

Spark is committed to the continuous improvement of our ESG performance. Our sustainability governance structure helps us ensure sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

Our Board and Leadership Squad have oversight of our sustainability performance. Quarterly updates on our performance against our sustainability Key Performance Indicators (KPIs) are provided to the Leadership Squad, which serves as a business-wide sustainability steering committee. The Board has overall governance responsibility for sustainability and is provided with a quarterly update on sustainability performance. The Board also approves the sustainability framework and reviews and approves key policies related to ESG.

To support our ESG performance we have a number of cross-functional squads. Our Governance and Reporting squad is accountable for our performance, reporting, and risk management, and includes representatives from Spark's financial, risk, legal, investor relations, regulatory affairs, people and culture, and corporate relations functions. The Human Rights and Supply Chain squad is focused on actions to further embed these topics into Spark's day-to-day operations, and includes representatives from our value management (supply chain), legal, digital trust, and Entelar Group teams.

Our Emissions Reduction Squad is led by Spark's Environment Manager and is focused on mobile networks, data centres, and fleet, and measures and reports our energy use and emissions on a quarterly basis to the Emissions Reduction Steering Committee and Leadership Squad.

Spark's Data Ethics Committee includes representatives from the Leadership Squad and provides oversight of our AI Principles and how they are embedded into our ways of working, processes, and systems. Our Due Diligence Committee includes representatives from the Leadership Squad who review Spark's disclosures against the requirements and principles of the Climate Standards.

Spark's approach to sustainability:
spark.co.nz/sustainability

Sustainability governance at Spark

Spark New Zealand Board of Directors	Approval of business strategy and Sustainability Framework, including key policies and KPIs. Reviews sustainability progress quarterly. Reviews climate change and modern slavery risks.
Leadership Squad	Sets five-year business strategy and approves Sustainability Framework, including key policies and KPIs. Reviews sustainability progress quarterly. Reviews climate change and modern slavery risks.
Corporate Relations and Sustainability Director and Sustainability Team	Corporate Relations and Sustainability Director has overarching responsibility for the Sustainability Framework and Spark's progress against it. Sustainability Lead and Environment and Sustainability Manager lead execution through squads and reporting.
Steering Committees and Governance Forums: Human Rights and Supply Chain, Data Ethics, Climate Disclosures	Steering Committees and Governance Forums established to ensure Leadership Squad and subject matter expert oversight of progress against material sustainability focus areas and risks, where appropriate.
Governance and Reporting Squad; Emissions Reduction Squads; Human Rights and Supply Chain Squad; Spark Foundation / Skinny Jump Squad	Cross-functional squads established to improve sustainability performance and integrate it across Spark. Spark Foundation has a sole focus on digital equity and is governed by a Board of Trustees. Skinny Jump is operated by a dedicated squad. Spark's Digital Equity Lead reports into the Corporate Relations and Sustainability Director, and has overarching responsibility for Spark's digital equity investments.
A BETTER DIGITAL WORLD Sustainability Framework Low-impact, high connectivity; Equitable and trusted	Our **sustainability framework** unites Spark's ambitions with the issues that matter most to our stakeholders. Our sustainability commitment is a 'Better Digital World' with two key focus areas: – **Low-impact, high connectivity**: We will reduce our environmental impact and enable Aotearoa to do the same through technology - **Equitable and trusted**: We will champion digital equity and build trust in our digital products and services
Quarterly Business Review (QBR)	Spark's business strategy is executed through a Quarterly Business Review (QBR) process, with priorities agreed every three months. Sustainability is integrated into the QBR.
All Spark people	Support execution of Sustainability Framework priorities and consider sustainability impacts in decision making.

Benchmarking our ESG performance

We benchmark our performance using a number of international frameworks, including the Corporate Sustainability Assessment (CSA). The CSA is a comprehensive benchmark of our ESG maturity against our peers, with good coverage against our material sustainability issues. The CSA is now part of S&P Global and is the assessment framework behind inclusion in the Dow Jones Best-in-Class World Index (previously called the Dow Jones Sustainability Index/DJSI).

Our approach to ESG management has seen our score, and relative ranking against global industry peers, increase year-on-year in the CSA benchmark into the top quartile of all global telecommunications companies. As a result, and in recognition of our progress and regional leadership, Spark is a member of the DJSI Australia Index, first joining in FY23 and maintaining our place on the index in FY25.

In December 2024 Spark was awarded the Snowflake Sustainability Leadership Award at the Deloitte Top 200 Awards. This award highlights businesses that are working towards creation of long-term environmental, social, and economic value. The judging criteria considers governance, long-term perspective, integration of ESG considerations, and projects to support sustainable development.

ESG reporting

We seek to present a clear and transparent assessment of our ESG performance in our reporting. This report is prepared in accordance with the International <IR> Framework and with the Global Reporting Initiative (GRI).

We focus our reporting on sustainability topics that substantively influence the assessments and decisions of stakeholders or have a significant environmental, social, or economic impact. We also consider whether a matter could substantively affect our ability to create value in the short, medium, or long term.

An appendix to this report (see pages 126 – 127) includes a summary of our approach to materiality, and a summary of our most material issues.

This Annual Report is published alongside a suite of other disclosures, including the following:

- **Corporate Governance Statement**, which is a snapshot view of Spark's practices, processes and policies measured against the principles of the NZX Corporate Governance Code;
- **Climate-related Disclosures Report**, which has been prepared in compliance with the Aotearoa New Zealand Climate Standards and includes our GHG Inventory and Assurance Statement;
- **Modern Slavery and Human Rights Statement**, which provides a detailed summary of how we are identifying, mitigating, and remedying modern slavery and human rights risks in our business and our supply chains, including actions taken to audit and engage our suppliers; and
- **ESG Data Pack**, which includes our detailed GRI Index and ESG performance data.

Spark's FY25 suite of disclosures:
spark.co.nz/governance

Risk management

Our risk policy and framework help our people to manage uncertainty and adapt to challenges as they pursue Spark's strategy. Oversight by the Audit and Risk Management Committee (ARMC) and the diligent application of the defined roles and responsibilities across the business ensures our risk management system remains effective.

The policy and framework are benchmarked to COSO ERM 2017 (COSO) a leading risk management standard. We also use other leading risk management standards like ISO31000:2018 and specific standards and guidance, where available, to benchmark and inform our risk management practices.

Spark's framework is structured into five risk management domains that all work together to enable a robust system for risk management. Below is a description of each domain and some examples of activities by domain to help understand the framework in more depth. These five domains are embedded in Spark's Managing Risk Framework and ensure the 'Three Lines of Defence' Risk Model (1. Own and manage 2. Monitor and 3. Provide independent assurance) is utilised.

1. Governance and culture

This domain reinforces the importance of risk management and influences how people apply the framework. Managing risk is embedded in our organisational structure, our functional activities, and is supported by specialist resources from the Risk team. Examples include the risk policy and the defined governance structure that supports its application across Spark. More information on the roles and responsibilities are included in the table on page 125.

2. Strategy and objective setting

This domain focuses on integrating risk management into strategy setting and business planning. Examples include the consideration of risks and opportunities to business objectives when making strategy decisions and checking in with every function using a systematic method as part of the Quarterly Business Review process. Each quarter the Leadership Squad communicates the top priorities for the business to the Portfolio Leaders, and supports execution with strategic guidance and access to extra resources as needed.

3. Performance

This domain involves maintaining a portfolio view of risks under active management. Examples include maintaining a principal risk profile that is used by the ARMC and Leadership Squad to understand relevant risks and how they are being managed. It also focuses on the quality of the embedded risk management practices that are used within functions across the business. These two views enable in depth analysis of relevant business risks and how they are being managed from a top-down and bottom-up perspective.

4. Review and revision

This domain involves identifying and implementing opportunities to continuously improve risk management practices. Examples include regular internal and external assessments of the policy and framework.

5. Information, reporting, and communications

This domain focuses on guiding Spark on how to use the policy and framework. Examples include information pages, access to support channels, and education sessions.

The policy and framework are assessed annually, and externally every three years to ensure they remain effective. All assessment results and agreed actions are shared with the ARMC to ensure they remain informed about the status of the policy and framework.

Spark's principal business risks

Principal risk profiles are updated twice yearly. The last update was finalised in May 2025. The principal risk themes identified were:

- **Protecting Spark and its customers from a major cyber-attack or data breach**

Evolving external threats, legislation, and high expectations from customers and stakeholders mean robust security and privacy roadmaps and strong governance (including oversight from the ARMC and the Leadership Squad), continue to be needed to ensure that significant risks are managed. The Cyber Security Tribe is responsible for critical operational controls to ensure standards and compliance are upheld. Our Digital Trust team sets privacy frameworks and standards that Agile units need to apply to maintain appropriate operational controls for privacy. Spark also has a data retention policy, which sets out considerations and, in sensitive datasets, rules for data retention. Adherence audits for compliance with the data retention policy are performed by the Internal Audit team.

External reviews and certifications help to ensure that comprehensive security measures exist for the critical elements of our cyber security framework. These reviews include security maturity assessments and security device configuration audits to ensure our processes meet expected standards. Importantly, external security maturity assessments also help ensure that our security maturity roadmap continues to evolve in line with the changing global threat landscape, providing independent validation that our uplift initiatives remain relevant and resilient.

- **Ensuring the performance and resilience of Spark's network, infrastructure, and ICT technology**

Spark continues to invest in the resilience and adaptability of its network and technology platforms, recognising their critical role in enabling customer experience, operational efficiency, and long-term sustainability. This also includes long-term physical risk to infrastructure from climate change. The delivery of large-scale technology programmes, such as the nationwide roll out of 5G, is underpinned by proven methodologies that help manage the risks associated with introducing new technologies while ensuring continuity of existing systems.

As part of Spark's evolving technology delivery model, the transition of critical processes to global partners is enabling access to innovation, cost efficiencies, and scarce technical resources. This transition introduces new operational risks, particularly in relation to

incident response across Spark's network and IT stack. To mitigate these risks, Spark has retained key internal capabilities, network-facing tools and a portion of its Network Operations Centre (NOC) and triage team onshore. In addition, the Leadership Squad actively monitors partner performance to ensure service standards are met and outcomes are delivered, supporting accountability and service continuity.

- **Understanding market conditions and the economic environment to respond with balanced judgement**

Spark continues to operate in a subdued economic environment, with weak business investment, cautious consumer spending, and low productivity growth affecting performance across customer segments. In Enterprise and Government, reduced and deferred project work, price sensitivity, and fleet shrinkage have impacted demand. In Consumer and SME, competitive pressure and demographic shifts have contributed to increased churn and slower growth.

In response, Spark has implemented a range of strategic and operational adjustments to support resilience and performance. These include cost optimisation initiatives – such as operating model redesign, AI and automation, and digitisation of customer journeys – that strengthen Spark's ability to maintain service standards while improving efficiency. A robust governance framework and formal delivery methodology ensure initiatives are well-tested, with progress tracked to enable timely course correction.

The Leadership Squad continues to enhance its forecasting and planning processes to improve visibility of business performance and cash flow. Spark also actively monitors global developments, including geopolitical risks, and is assessing potential impacts to ensure the business remains responsive and well-positioned.

- **Delivering planned AI and business system transformation objectives**

Delivering AI and business system transformation remains a key enabler of Spark's strategic objectives. Progress continues in line with expectations, supported by skilled delivery teams and a strong pipeline of initiatives focused on enhancing operational efficiency and customer experience. Spark is maintaining momentum, while balancing speed of implementation with quality and effectiveness to ensure benefits are realised.

As AI technologies evolve rapidly, Spark has strengthened its governance approach to ensure safe, ethical, and responsible deployment. This includes updated policies, oversight mechanisms, and awareness initiatives to manage risks, such as accuracy, intellectual property, and responsible use.

A key risk in business system transformation is managing change across Spark and its customers, particularly during the migration from legacy products and technologies. This requires careful coordination to minimise disruption and maintain customer experience. Spark is actively managing these risks through close alignment between delivery teams and business leads, supported by tools and processes that guide decision-making and ensure delivery quality.

- **Achieving revenue growth**

As Spark continues to pursue revenue growth, it faces a range of challenges across both traditional and emerging revenue streams. In Mobile and Broadband services, competitive pressure and market maturity remain key considerations. Meanwhile, newer areas such as Cloud, Data Centres, and Digital Services are subject to evolving customer needs, technological change, and market dynamics.

To navigate these conditions, Spark's Board and Leadership Squad remains focused on ensuring the business has the right strategy, product set, and operating model to execute effectively across its customer segments. This includes ongoing investment in innovation and product development, as well as enhancements to platforms and systems that support competitive positioning.

Performance across Spark's Enterprise, Government, Consumer, and SME segments is closely monitored, with tailored approaches to address the unique challenges and opportunities within each. The Leadership Squad continues to track key metrics and market signals to inform decision-making and ensure Spark remains responsive to changing conditions.

Spark's approach balances risk and opportunity, aiming to deliver long-term revenue growth with a focus on core connectivity, while maintaining agility in a dynamic operating environment.

- **Ensuring the capability, skills and culture to deliver performance outcomes**

Spark has transformed its operating model to support long-term performance and strategic ambitions. This includes organisational structure changes and strategic partnerships aimed at improving efficiency and scalability, accessing innovation, and aligning capability with future needs. Management has identified the skills required to support delivery and is aligning internal and external resources accordingly.

While necessary, these changes have been reflected in a lower people engagement score in FY25. The Leadership Squad is focused on reinforcing Spark's purpose and ambition, supported by investment in people and culture to maintain engagement and retention.

The shift to a blended onshore and offshore delivery model introduces risks around service quality, continuity, and team alignment. Spark is actively managing these through governance and operational forums that support planning, transition, and delivery. Initial impacts to customer experience have improved as offshore teams gained familiarity with processes, and ongoing oversight remains important to ensure expected outcomes are achieved.

Business continuity and crisis management

The Business Continuity and Crisis Management Policy protects customers from the impact of disruptive events and ensures value-generating activities are resilient and comply with relevant external standards, for example, Civil Defence and 111 obligations.

Spark's framework is benchmarked to ISO 22301 and ISO 22313, which are acknowledged as leading practice standards for business continuity. It is overseen by the ARMC in a similar way to the Managing Risk Policy and Framework. An internal governance committee consisting of Portfolio Leads from across Spark, oversees and supports the implementation and maintenance of Business Continuity programme activities across the Spark Group. Regular reviews of the framework are performed by the Service Resilience and Risk and Internal Audit teams to ensure it is effective. External reviews and testing of key elements of the framework such as the Level One Crisis Management Plan and team, are also done to validate the effectiveness of the framework. In FY25 Spark conducted an externally facilitated L1 crisis simulation for a major cyber event. Our continued investment in network resiliency, as outlined on page 30, also demonstrates application of the framework in practice.

Financial statements

Financial statements

Statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE

	NOTES	2025 $M	2024[2] $M
Operating revenues and other gains[1]	2.2	3,725	3,820
Operating expenses[1]	2.3	(2,672)	(2,679)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	2.5	1,053	1,141
Finance income	2.4	31	30
Finance expense	2.4	(149)	(144)
Depreciation and amortisation	2.4	(590)	(512)
Net investment income	2.4	2	(8)
Net earnings before income tax		347	507
Income tax expense[1]	6.1	(95)	(196)
Net earnings from continuing operations		**252**	**311**
Net earnings from discontinuing operation	1.5	8	5
Total net earnings		**260**	**316**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of long-term investments designated at fair value through other comprehensive income	3.3	5	(20)
Items that may be reclassified to profit or loss:			
Translation of foreign operations		–	(1)
Change in hedge reserves net of tax	5.1	(36)	1
Other comprehensive income		(31)	(20)
Total comprehensive income		**229**	**296**
Earnings per share			
Basic earnings per share (cents) from continuing operations[1]		13.6	17.0
Basic earnings per share (cents) from discontinuing operation		0.4	0.3
Basic earnings per share (cents) from continuing and discontinuing operations[1]		14.0	17.3
Diluted earnings per share (cents) from continuing operations[1]		13.6	17.0
Diluted earnings per share (cents) from discontinuing operation		0.4	0.3
Diluted earnings per share (cents) from continuing and discontinuing operations[1]		14.0	17.3
Weighted average ordinary shares (millions) - used for basic earnings per share		1,847	1,825
Dilutive potential ordinary share (options)		–	–
Weighted average ordinary shares (millions) - used for diluted earnings per share		1,847	1,825

See accompanying notes to the financial statements.

1. FY25 balances have been impacted by the sale of the remaining Connexa investment and the transformation costs associated with Spark's SPK-26 Operate Programme, see notes 1.4 and 2.5 for further details.
2. Certain comparative information has been re-presented due to the data centre business being classified as a discontinuing operation in FY25, see note 1.5 for further details.

Statement of financial position

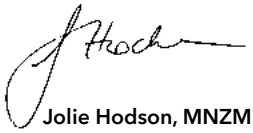
	NOTES	AS AT 30 JUNE 2025 $M	AS AT 30 JUNE 2024 $M
Current assets			
Cash		34	59
Short-term receivables and prepayments[1, 2]	3.1	939	915
Short-term derivative assets	5.1	–	1
Inventories	3.2	83	89
Taxation recoverable	6.1	114	6
Assets classified as held for sale	1.5	268	–
Total current assets		**1,438**	**1,070**
Non-current assets			
Long-term receivables and prepayments[1]	3.1	387	515
Long-term derivative assets	5.1	11	25
Long-term investments[1]	3.3	76	206
Deferred tax assets	6.1	11	17
Right-of-use assets[2]	3.4	555	487
Leased customer equipment assets	3.5	59	70
Property, plant and equipment[2]	3.6	1,184	1,394
Intangible assets[2]	3.7	804	851
Total non-current assets		**3,087**	**3,565**
Total assets		**4,525**	**4,635**
Current liabilities			
Short-term payables, accruals and provisions	4.1	536	550
Short-term derivative liabilities	5.1	7	–
Short-term lease liabilities[2]	4.2	107	96
Current debt	4.3	412	414
Liabilities classified as held for sale	1.5	4	–
Total current liabilities		**1,066**	**1,060**
Non-current liabilities			
Long-term payables, accruals and provisions	4.1	49	56
Long-term derivative liabilities	5.1	60	78
Long-term lease liabilities[2]	4.2	760	646
Non-current debt	4.3	1,070	1,205
Total non-current liabilities		**1,939**	**1,985**
Total liabilities		**3,005**	**3,045**
Equity			
Share capital		994	810
Reserves		(43)	(414)
Retained earnings		569	1,194
Total equity		**1,520**	**1,590**
Total liabilities and equity		**4,525**	**4,635**

See accompanying notes to the financial statements.

1. FY25 balances have been impacted by the sale of the remaining Connexa and Hutchison investments, see notes 1.3 and 1.4 for further details.
2. FY25 balances have been impacted by the data centre business being classified as held for sale, see note 1.5 for further details.

On behalf of the Board

Justine Smyth, CNZM
Chair



Jolie Hodson, MNZM
Chief Executive

Authorised for issue on 20 August 2025

Statement of changes in equity

YEAR ENDED 30 JUNE 2025	NOTES	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	SHARE-BASED COMPEN-SATION RESERVE $M	REVALUATION RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	TOTAL $M
Balance at 1 July 2024		**810**	**1,194**	**12**	**4**	**(407)**	**(23)**	**1,590**
Total net earnings		–	260	–	–	–	–	260
Other comprehensive income		–	–	(36)	–	5	–	(31)
Total comprehensive income		**–**	**260**	**(36)**	**–**	**5**	**–**	**229**
Contributions by, and distributions to, owners:								
Dividends	1.3, 4.5	–	(484)	–	–	–	–	(484)
Supplementary dividends	4.5	–	(37)	–	–	–	–	(37)
Tax credit on supplementary dividends		–	37	–	–	–	–	37
Dividend reinvestment plan	1.3	182	–	–	–	–	–	182
Issuance of shares under share schemes		3	–	–	–	–	–	3
Transfer in relation to the disposal of investment[1]	1.3	–	(402)	–	–	402	–	–
Other transfers		(1)	1	–	(1)	–	1	–
Total transactions with owners		**184**	**(885)**	**–**	**(1)**	**402**	**1**	**(299)**
Balance at 30 June 2025		**994**	**569**	**(24)**	**3**	**–**	**(22)**	**1,520**

1. Transfer of revaluation losses previously recognised through other comprehensive income to retained earnings following the disposal of Spark's investment in Hutchison on 25 June 2025. See note 1.3 for more details.

YEAR ENDED 30 JUNE 2024	NOTES	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	SHARE-BASED COMPEN-SATION RESERVE $M	REVALUATION RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	TOTAL $M
Balance at 1 July 2023		**965**	**1,371**	**11**	**2**	**(387)**	**(22)**	**1,940**
Total net earnings		–	316	–	–	–	–	316
Other comprehensive income		–	–	1	–	(20)	(1)	(20)
Total comprehensive income		**–**	**316**	**1**	**–**	**(20)**	**(1)**	**296**
Contributions by, and distributions to, owners:								
Dividends	4.5	–	(494)	–	–	–	–	(494)
Supplementary dividends	4.5	–	(48)	–	–	–	–	(48)
Tax credit on supplementary dividends		–	48	–	–	–	–	48
Share buy-back		(159)	–	–	–	–	–	(159)
Issuance of shares under share schemes		4	–	–	3	–	–	7
Other transfers		–	1	–	(1)	–	–	–
Total transactions with owners		**(155)**	**(493)**	**–**	**2**	**–**	**–**	**(646)**
Balance at 30 June 2024		**810**	**1,194**	**12**	**4**	**(407)**	**(23)**	**1,590**

See accompanying notes to the financial statements.

Statement of cash flows

YEAR ENDED 30 JUNE

	NOTES	2025 $M	2024 $M
Cash flows from operating activities			
Receipts from customers		3,694	3,711
Receipts from interest		29	28
Payments to suppliers and employees		(2,711)	(2,653)
Payments for income tax		(186)	(189)
Payments for interest on debt		(90)	(80)
Payments for interest on leases		(50)	(46)
Payments for interest on leased customer equipment assets		(6)	(7)
Net cash flows from operating activities	6.5	**680**	**764**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2	34
Proceeds from sale of businesses		8	4
Proceeds from sale of long-term investment	1.3, 1.4	309	–
Proceeds from long-term investment	1.3	17	7
Receipts from finance leases		–	1
Receipts from loans receivable		3	10
Payments for purchase of business, net of cash acquired		(2)	(5)
Payments for, and advances to, long-term investment		–	(1)
Payments for purchase of property, plant and equipment, intangible assets (excluding spectrum) and capacity		(430)	(582)
Payments for assets classified as held for sale		(2)	–
Payments for purchase of spectrum intangible assets		(10)	(8)
Payments for capitalised interest		(7)	(10)
Net cash flows from investing activities		**(112)**	**(550)**
Cash flows from financing activities			
Net (repayments of)/proceeds from debt	4.4	(197)	510
Payments for dividends	1.3	(302)	(494)
Payments for share buy-back		–	(159)
Receipts from lease incentive		22	–
Payments for leases		(92)	(78)
Payments for leased customer equipment assets		(24)	(34)
Net cash flows from financing activities		**(593)**	**(255)**
Net cash flows		**(25)**	**(41)**
Opening cash position		59	100
Closing cash position		**34**	**59**

See accompanying notes to the financial statements.

Section 1 General information

1.1 About this report

Reporting entity

These financial statements are for Spark New Zealand Limited (the Company) and its subsidiaries (together Spark or the Group).

Spark is a major supplier of telecommunications and digital services in New Zealand. Spark provides a full range of telecommunications, information technology, media and other digital products and services, including: mobile services; broadband services; IT products; IT services; voice services; procurement and partner services; high-tech and data centres.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX) and the address of its registered office is at 50 Albert Street, Auckland 1010, New Zealand.

Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRS Accounting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements also comply with IFRS Accounting Standards (IFRS).

The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of certain investments and financial instruments, as identified in the accompanying notes. These financial statements are expressed in New Zealand dollars, which is Spark's functional and presentation currency. All financial information has been rounded to the nearest million, unless otherwise stated. The accompanying notes include results from the continuing operations only, unless otherwise stated. Certain comparative information has been updated to conform with the current year's presentation.

The material accounting policies applied in the preparation of these financial statements are set out in the accompanying notes where an accounting policy choice is provided by NZ IFRS. A policy is also included when it is new, has changed, is specific to Spark's operations or is material. Where NZ IFRS does not provide an accounting policy choice, Spark has applied the requirements of NZ IFRS but a detailed accounting policy is not included.

New and amended standards

In FY25, Spark has adopted amendments issued for NZ IAS 1 *Presentation of Financial Statements: Disclosures for Current and Non-current Liabilities, and Non-current Liabilities with Covenants* which clarify the criteria for classifying liabilities and liabilities with covenants as current or non-current. Spark's classification of liabilities did not change as a result of these amendments.

Spark has also adopted the amendments to FRS 44 *New Zealand Additional Disclosures*: *Disclosure of Fees for Audit Firms' Services* which require an entity to describe the services provided by its audit or review firm and to disclose the fees incurred by the entity for those services using prescribed categories. These disclosures are included in note 2.3.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) will replace NZ IAS 1 *Presentation of Financial Statements* and may have a material impact on Spark's disclosures. NZ IFRS 18 has been issued but is not yet effective until periods commencing on or after 1 January 2027.

NZ IFRS 18 sets out the requirements for the presentation and disclosure of information in financial statements, and will not change net profit reported, but how results are presented on the statement of profit or loss and other comprehensive income and what information is disclosed in the notes. Spark is yet to determine the disclosure impacts of this standard and whether it will adopt it prior to the year ending 30 June 2028. The key changes of NZ IFRS 18 are expected to be:

- A more structured statement of profit or loss and other comprehensive income, including new subtotals, and income and expenses classified into five categories (operating, investing, financing, discontinued operations and income tax).
- Non-GAAP management performance measures are required to be disclosed in the financial statements and subject to audit.
- New disclosures are required for items currently labelled as 'other', with enhanced guidance on how to group information within the financial statements.

There are no other new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the financial statements of Spark.

1.2 Key estimates and assumptions

The preparation of these financial statements requires Management to make estimates and assumptions. These affect the amounts of reported revenues and expenses and the measurement of assets and liabilities as at 30 June. Actual results could differ from these estimates.

The principal areas of judgement and estimation for Spark in preparing these financial statements are found in the following notes:

- Note 2.2 Operating revenues and other gains
- Note 3.1 Receivables and prepayments
- Note 3.4 Right-of-use assets
- Note 3.6 Property, plant and equipment
- Note 3.7 Intangible assets
- Note 4.2 Lease liabilities

NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

1.3 Significant transactions and events

The following significant transactions and events affected the financial performance and financial position of Spark for the year ended 30 June 2025 or subsequent to balance date:

Dividends (see note 4.5)

- Dividends paid during the year ended 30 June 2025 in relation to the H2 FY24 second-half dividend (ordinary dividend of 14 cents per share) and H1 FY25 first-half dividend (ordinary dividend of 12.5 cents per share) totalled $484 million or 26.5 cents per share. Of this, $182 million was reinvested through the dividend reinvestment plan with the shares issued at a 3% discount for H2 FY24 and at a 2% discount for H1 FY25, to the prevailing market price around the time of issue.

Debt programme (see notes 4.3 and 5.2)

- On 28 November 2024, Spark extended the term of its $100 million committed revolving sustainability linked loan (SLL) facility with Commonwealth Bank of Australia by three years, to mature on 30 November 2027. Spark's SLL has a dual focus on the Group's environmental and gender diversity performance. For the SLL extension, the gender representation target has been replaced with a median gender pay gap target. The environmental targets remain unchanged.
- On 28 November 2024, Spark established a $100 million committed revolving facility with Commonwealth Bank of Australia, which matured on 28 May 2025 and was not renewed.
- On 24 April 2025, Spark extended the term of its $200 million committed standby revolving credit facility by one year, to mature on 30 April 2028.

Long-term investments (see notes 1.4, 2.5, 3.1 and 3.3)

- On 28 February 2025, Spark completed the sale of its remaining stake (~17%) in the mobile towers business, Connexa, and the associated shareholder loans to global investment group CDPQ, for net proceeds of $309 million, being $313 million cash inflow less $4 million transaction costs. See notes 1.4 and 2.5 for further details.
- On 23 June 2025, Spark announced that it had accepted an offer from Hutchison Telecommunications (Amsterdam) BV, an indirect wholly owned subsidiary of CK Hutchison Holdings Limited, to sell its 10% shareholding in Hutchison Telecommunications (Australia) Limited (Hutchison) at AU$0.032 per share. The transfer of shares completed on 25 June 2025, with NZ$48 million cash proceeds received on 17 July 2025. As at 30 June 2025, Spark recognised a receivable of $47 million for the payment due (see note 3.1) and transferred the cumulative revaluation losses previously recognised through other comprehensive income to retained earnings in the statement of changes in equity.
- Spark received $17 million in FY25 from Southern Cross Cables Holdings Limited investment in the form of a capital reduction.

Capital expenditure (see notes 2.5, 3.4, 3.6 and 3.7)

- Spark's additions to property, plant and equipment, intangible assets, assets classified as held for sale and capacity right-of-use assets (excluding spectrum, goodwill, assets fully funded by customers or vendors and other non-cash additions that may be required by NZ IFRS) were $429 million, details of which are provided in notes 2.5, 3.4, 3.6 and 3.7 and on page 19 of this Annual Report.

Transformation costs (see note 2.3, 2.5)

- Transformation costs of $53 million were incurred in the implementation of Spark's SPK-26 Operate Programme. The objectives of this programme are to enter into new technology delivery partnerships, redesign the organisational operating model and deliver labour and operating cost reductions. The costs incurred largely related to labour, severances, and advisory costs.

Data centre business sale (see note 1.5)

- On 12 August 2025 Spark announced it entered into an agreement to sell a 75% interest in its data centre business to Pacific Equity Partners.
- The transaction values the business at up to $705 million (comprising a base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value). Spark expects to receive cash proceeds of approximately $486 million at completion (with final net proceeds subject to completion adjustments) and additional deferred cash proceeds of up to approximately $98 million contingent on the achievement of certain performance-based objectives by 31 December 2027.
- The transaction is subject to regulatory and customary consents including Overseas Investment Office approval, with a targeted completion date of 31 December 2025.
- As at 30 June 2025 the data centre business has been classified as a discontinuing operation held for sale (see note 1.5).

1.4 Sale of Connexa investment

The sale of the remaining Connexa investment on 28 February 2025 resulted in a net gain of $71 million as set out below:

YEAR ENDED 30 JUNE	NOTES	2025 $M
Cash inflow arising from sale of investment		313
Less: incremental transaction costs		(4)
Net cash flow on sale of investment		**309**
Less: disposal of investment	3.3	(65)
Less: disposal of shareholder loans	3.1	(173)
Net gain on sale of investment		**71**

1.5 Discontinuing operation held for sale

Data centre business

As disclosed in note 1.3, following the announcement on 12 August 2025 to sell a 75% interest in the data centre business to Pacific Equity Partners, the business has been classified as a discontinuing operation held for sale.

This discontinuing operation was previously part of the data centres segment which has been reclassified to the other products segment. The discontinuing operation's net earnings are as follows:

	2025 $M	2024 $M
Operating revenues and other gains	46	41
Product costs	(1)	(1)
Labour	(7)	(5)
Other operating expenses		
Network support costs	(1)	–
Accommodation costs	(12)	(13)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) from discontinuing operation	25	22
Depreciation and amortisation expense		
Depreciation and amortisation - property, plant and equipment and intangible assets	(13)	(14)
Depreciation - right-of-use assets	(1)	(1)
Net earnings before income tax from discontinuing operation	11	7
Income tax expense	(3)	(2)
Net earnings from discontinuing operation	**8**	**5**

The major classes of assets and liabilities comprising the discontinuing operation classified as held for sale are as follows:

YEAR ENDED 30 JUNE	NOTES	2025 $M
Short-term receivables and prepayments		18
Right-of-use assets	3.4	3
Property, plant and equipment	3.6	236
Intangible assets	3.7	11
Total assets classified as held for sale		**268**
Lease liabilities	4.2	4
Total liabilities classified as held for sale		**4**

No write-down was recognised in the statement of profit or loss on classification of the above assets and liabilities to held for sale as the estimated selling price is expected to exceed the carrying value. At the time these financial statements were authorised for issue, the transaction had not yet completed and as such a final estimate of the gain or loss on sale has not yet been made.

The net cash flows generated/(incurred) by the discontinuing operation are as follows:

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Net cash flows from operating activities	22	20
Net cash flows from investing activities	(50)	(43)
Net cash flows from financing activities	(1)	(1)
Net cash flows from discontinuing operation	**(29)**	**(24)**

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

Section 2 Financial performance information

2.1 Segment information

The segment results disclosed are based on those reported to the Chief Executive and are how Spark reviews its performance. Spark's material assets and operations are in New Zealand, therefore no separate geographical information is provided.

Spark's segments are measured based on product margin, which includes product operating revenues and direct product costs. The segment results exclude other gains, labour, other operating expenses, finance income and expense, depreciation and amortisation, net investment income and income tax expense, as these are assessed at an overall Group level by the Chief Executive.

Comparative segment results

Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and other products to more accurately reflect how these products are viewed. In addition, a major part of the data centre business included within other products segment has been classified as a discontinuing operation in FY25 and the comparative information has been re-presented to reflect this. See note 1.5 for more details. The remaining part of the data centres segment has been classified within the other products segment. There is no change to the overall Spark reported result because of these reclassifications.

	2025			2024		
YEAR ENDED 30 JUNE	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M
Mobile	1,453	(457)	996	1,474	(484)	990
Broadband	608	(331)	277	613	(325)	288
IT products	522	(265)	257	528	(253)	275
Voice	150	(68)	82	180	(81)	99
IT services	144	(49)	95	156	(42)	114
Procurement and partners	538	(473)	65	548	(483)	65
High-tech	84	(39)	45	79	(34)	45
Other products[1]	124	(49)	75	140	(46)	94
Segment results from continuing operations	**3,623**	**(1,731)**	**1,892**	**3,718**	**(1,748)**	**1,970**

1. See note 2.2 for a description of other products.

Reconciliation from segment product margin to consolidated net earnings before income tax

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Segment results	1,892	1,970
Other gains[2]	102	102
Labour	(439)	(507)
Other operating expenses[3]	(502)	(424)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	1,053	1,141
Finance income	31	30
Finance expense	(149)	(144)
Depreciation and amortisation	(590)	(512)
Net investment income	2	(8)
Net earnings before income tax from continuing operations	**347**	**507**

2. See note 2.2 for a description of other gains.
3. See note 2.3 for a break down of other operating expenses.

2.2 Operating revenues and other gains

The accounting policies specific to Spark's operating revenues are outlined below:

Contracts with customers

Spark records revenue from contracts with customers in accordance with the five steps in NZ IFRS 15:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price, which is the total consideration provided by the customer
4. Allocate the transaction price amount to the performance obligations in the contract based on their relative stand-alone selling prices
5. Recognise revenue when or as the performance obligation is satisfied.

Spark often provides products and services in bundled arrangements (for example, a broadband modem together with a broadband service). Where multiple products or services are sold in a single arrangement, revenue is recognised in relation to each distinct good or service. A product or service is distinct where, amongst other criteria, a customer can benefit from it on its own or together with other resources that are readily available. Revenue is allocated to each distinct product or service in proportion to its stand-alone selling price and recognised when, or as, control is transferred to the customer.

Generally, control for products is transferred and revenue recognised at the point in time it is delivered to the customer and for services, control is transferred, and revenue recognised, over time as the service is provided. Revenue for performance obligations satisfied over time is recognised using the 'resources consumed by customers' method or the 'time-elapsed' method, as these best depict the transfer of goods or services to customers.

Performance obligations, where Spark acts as an agent, includes some third-party media services and certain cloud, security and service management contracts. Contracts with a significant financing component include those that have goods that were purchased on interest-free payment terms of greater than 12 months.

The nature of the various performance obligations in our contracts with customers and when revenue is recognised is outlined below:

PERFORMANCE OBLIGATIONS FROM CONTRACTS WITH CUSTOMERS	TIMING OF SATISFACTION OF THE PERFORMANCE OBLIGATION AND PAYMENT
Mobile services, broadband services, media services, cloud, security and service management services, managed data services and rental of equipment	As the service is provided (usually monthly). Generally billed and paid on a monthly basis.
Usage, other optional or non-subscription services, and pay-per-use services	As the service is provided. Generally billed and paid on a monthly basis
Fixed modems, mobile handsets and other distinct goods	When control is passed to the customer, generally when the customer takes possession of the goods. For goods sold in packages or on interest-free terms, customers usually pay in equal instalments over 6 to 36 months.
Installation or set-up services (where distinct)	As the service is provided. Generally billed and paid following the provision of the service.
Network infrastructure	As the goods or services are provided. Generally billed when milestones are completed and revenue recognised when the milestones are completed or once control of goods passes to the customer.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.2 Operating revenues and other gains (continued)

YEAR ENDED 30 JUNE	NOTE	2025 $M	2024 $M
Operating revenues			
Mobile		1,453	1,474
Broadband		608	613
IT products		522	528
Voice		150	180
IT services		144	156
Procurement and partners		538	548
High-tech		84	79
Other products		124	140
		3,623	**3,718**
Other gains			
Net gain on sale of Connexa investment	1.4	71	–
Net gain on sale and acquisition of property, plant and equipment and intangible assets		8	62
Net gain on lease modifications and terminations		24	36
Net (loss)/gain on sale of long-term businesses		(1)	4
		102	**102**
Total operating revenues and other gains from continuing operations		**3,725**	**3,820**

Other products

Included in other products is revenue from mobile infrastructure, exchange building sharing arrangements and data centres.

Other gains

For the year ended 30 June 2025, other gains included net gain on the sale of Connexa investment of $71 million, the sale of property, plant and equipment, together with the fair value of vendor funded equipment and software to support revenue growth opportunities of $8 million, net gain from lease modifications and terminations of $24 million (primarily relates to property and exchange sites) and a $1 million net loss on disposal of Digital Island Limited.

For the year ended 30 June 2024, other gains included the net gain on the sale of property, plant and equipment, together with the fair value of vendor funded equipment to support revenue growth opportunities (primarily in relation to mobile and data centre network equipment and other assets) of $62 million, net gains from lease modifications and terminations of $36 million (primarily relates to mobile sites), and a net gain on sale of business hubs of $4 million.

2.2 Operating revenues and other gains (continued)

Key estimates and assumptions

Determining the transaction price

Determining the transaction price of Spark's contracts requires judgement in estimating the amount of revenue we expect to be entitled to for delivering the performance obligations within a contract. The transaction price is the amount of consideration that is enforceable and to which we expect to be entitled in exchange for the goods and services we have promised to our customer. We determine the transaction price by considering the terms of the contract and business practices that are customary within that product, as well as adjusting the transaction price for estimated variable consideration and for any effects of the time value of money. The 'expected value' or 'most likely' amount methods are used to determine variable consideration and any amount where it is determined that it is highly probable a revenue reversal will not subsequently occur is included in the transaction price. In making this determination consideration is given to the likelihood and potential magnitude of the revenue reversal, as well as factors outside of Spark's influence, the time when the uncertainty is expected to be resolved and Spark's experience with similar types of contracts. Judgement is required to determine the discount rate underlying any time value of money calculations, as well as whether the financing component in a contract is significant. Discounts, rebates, refunds, credits, price concessions, incentives, penalties and other similar items are reflected in the transaction price at contract inception.

Determining the stand-alone selling price and the allocation of the transaction price

Determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations involves judgement. The transaction price is allocated to performance obligations based on the relative stand-alone selling prices of the distinct goods or services in the contract. The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, we estimate the stand-alone selling price taking into account reasonably available information relating to the market conditions, entity-specific factors and the class of customer. In determining the stand-alone selling price, we allocate revenue between performance obligations based on expected minimum enforceable amounts to which Spark is entitled. Any amounts above the minimum enforceable amounts are recognised as revenue as they are earned.

Distinct goods and services

We make judgements in determining whether a promise to deliver goods or services is considered distinct. We account for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items in the bundled package and if the customer can benefit from it). The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices.

Timing of satisfaction of performance obligations

We make judgements in determining whether performance obligations are satisfied over time or at a point in time, as well as the methods used for measuring progress towards completed satisfaction of performance obligations. Refer to page 81 for Spark's accounting policy on timing of satisfaction of performance obligations.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.3 Operating expenses

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Product costs	1,731	1,748
Labour[1]	439	507
Other operating expenses		
Network support costs	78	73
Computer costs	132	115
Accommodation costs	84	83
Advertising, promotions and communication	58	54
Bad debts	19	15
Other[1]	131	84
Total other operating expenses	502	424
Total operating expenses from continuing operations	**2,672**	**2,679**

1. These FY25 balances include transformation costs of $53 million ($3 million in labour and $50 million in other operating costs which were mostly severances) incurred in the implementation of Spark's SPK-26 Operate Programme, see note 1.3 for more details.

Pension contributions
Labour costs include post-employment benefits (KiwiSaver and Superannuation) of $15 million (30 June 2024: $16 million).

Cost of inventories recognised as an expense
The cost of inventories recognised as an expense in relation to broadband modems, mobile devices and other accessories was $330 million (30 June 2024: $354 million).

Lease expenses
Expenses relating to short-term leases and leases of low-value assets were $8 million (30 June 2024: $7 million).

Donations
Donations for the year ended 30 June 2025 were $1,931,000 and comprised Spark's donation to Spark Foundation of $1,894,000 and payroll giving and other donations of $37,000 (30 June 2024: $2,181,000, comprised Spark's donation to the Spark Foundation of $2,099,000 and other donations of $82,000). Spark made no donations to political parties in the years ended 30 June 2025 and 30 June 2024.

Auditor's remuneration

YEAR ENDED 30 JUNE	2025 $'000	2024 $'000
Audit of financial statements		
Audit and review of financial statements[1]	1,361	1,283
Other non-audit and non-review services		
Audit or review related services[2]	57	62
Other assurance services and other agreed upon procedures engagements[3]	87	44
Other services[4]	72	17
Total fees paid to auditor	**1,577**	**1,406**

1. The audit fee includes fees for both the annual audit of the financial statements and the review of the interim financial statements.
2. Audit or review related services consist of the audit of telecommunications-related regulatory disclosures of $57k.
3. Other assurance services relate to assurance over the Group's greenhouse gas emissions of $67k and sustainability linked loan of $20k.
4. Other services relate to HR Business Partner training programme of $45k, CPO Vantage Programme of $5k and CFO Vantage Programme of $5k as well as administrative and other advisory services of $17k for the Corporate Taxpayer Group of which Spark, alongside a number of organisations, is a member.

2.4 Finance income, finance expense, depreciation, amortisation and net investment income

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
Finance income			
Finance lease interest income		8	8
Other interest income		23	22
		31	**30**
Finance expense			
Finance expense on debt		(79)	(75)
Lease interest expense	4.2	(51)	(48)
Leased customer equipment interest expense		(6)	(8)
Other interest and finance expenses		(20)	(23)
		(156)	**(154)**
Plus: interest capitalised[1]		7	10
		(149)	**(144)**
Depreciation and amortisation expense			
Depreciation – property, plant and equipment	3.6	(274)	(221)
Depreciation – right-of-use assets	3.4	(103)	(88)
Depreciation – leased customer equipment assets	3.5	(27)	(33)
Amortisation – intangible assets	3.7	(186)	(170)
		(590)	**(512)**
Net investment income			
Share of associates' and joint ventures' net losses	3.3	(6)	(17)
Interest income on loans receivable from associates and joint ventures		8	12
Impairment of investments		–	(2)
Net disposal and remeasurement of equity-accounted investments		–	(1)
		2	**(8)**

1. Interest was capitalised on property, plant and equipment and intangible assets under development for the year ended 30 June 2025 at an annualised rate of 5.7% (30 June 2024: 5.7%).

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures

Spark uses non-GAAP financial measures that are not prepared in accordance with NZ IFRS. Spark believes that these non-GAAP financial measures provide useful information to readers to assist in the understanding of the financial performance, financial position or returns of Spark. These measures are also used internally to evaluate performance of products, to analyse trends in cash-based expenses, to establish operational goals and allocate resources. However, they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS, as they are not uniformly defined or utilised by all companies in New Zealand or the telecommunications industry.

Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)

Spark calculates EBITDAI from continuing operations by taking net earnings from continuing operations, adding back finance expense, depreciation and amortisation and income tax expense, subtracting finance income and adjusting for net investment income (which includes Spark's share of net profits or losses from associates and joint ventures, interest income on loans receivable from associates and joint ventures, net impact on remeasurement of equity-accounted investments and dividend income). A reconciliation of Spark's EBITDAI from continuing operations is provided below and based on amounts taken from, and consistent with, those presented in these financial statements.

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
Net earnings from continuing operations reported under NZ IFRS		252	311
Less: finance income	2.4	(31)	(30)
Add back: finance expense	2.4	149	144
Add back: depreciation and amortisation	2.4	590	512
Add/(Less): net investment income	2.4	(2)	8
Add back: income tax expense	6.1	95	196
EBITDAI from continuing operations		**1,053**	**1,141**

2.5 Non-GAAP measures (continued)

Adjusted EBITDAI and adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes one-off significant items (such as gains, expenses and impairments) individually greater than $25 million. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts were deemed significant to adjust. In the year ended 30 June 2024, the tax effects resulting from the government change to tax depreciation rules for buildings effective for Spark from 1 July 2024 of $26 million was deemed a significant item to adjust.

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
EBITDAI from continuing operations		1,053	1,141
EBITDAI from discontinuing operation	1.5	25	22
Less: net gain on sale of Connexa investment	1.4	(71)	–
Add: transformation costs	1.3	53	–
Adjusted total EBITDAI		**1,060**	**1,163**
Net earnings from continuing operations reported under NZ IFRS		252	311
Net earnings from discontinuing operation reported under NZ IFRS	1.5	8	5
Less: net gain on sale of Connexa investment	1.4	(71)	–
Add: transformation costs	1.3, 2.3	53	–
Add: tax effect of transformation costs	6.1	(15)	–
Add: tax effects resulting from the zero-rating of tax depreciation on buildings effective for Spark from 1 July 2024	6.1	–	26
Adjusted total net earnings		**227**	**342**

Capital expenditure

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding spectrum, goodwill, acquisitions, assets fully funded by customers or vendors and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid up front.

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
Additions to property, plant and equipment	3.6	311	387
Additions to intangible assets	3.7	157	213
Additions to assets classified as held for sale	3.6	5	–
Additions to capacity right-of-use assets	3.4	3	10
Total additions		**476**	**610**
Less: assets fully funded by customers or vendors	3.6, 3.7	(47)	(50)
Less: spectrum additions	3.7	–	(23)
Less: addition to intangible assets on acquisition[1]		–	(11)
Less: other		–	(8)
Capital expenditure		**429**	**518**

1. Acquisition of Adroit Holdings Limited and Circle Investments Limited in FY24.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures (continued)

Net debt

Net debt at hedged rates, the primary net debt measure Spark monitors, includes non-current debt at the value of hedged cash flows due to arise on maturity, plus current debt, less any cash. Net debt at carrying value includes the non-cash impact of fair value hedge adjustments and any unamortised discount.

Net debt at hedged rates is a non-GAAP measure and is not defined in accordance with NZ IFRS but is a measure used by management. A reconciliation of net debt at hedged rates and net debt at carrying value is provided in note 4.4.

Net tangible assets

Net tangible assets per share is a non-GAAP financial measure that is not defined in NZ IFRS. Total assets include assets held for sale and right-of-use assets. Total liabilities include liabilities classified as held for sale and lease liabilities.

The calculation of Spark's net tangible assets per share and its reconciliation to the statement of financial position is presented below:

YEAR ENDED 30 JUNE	NOTE	2025 $M	2024 $M
Total assets		4,525	4,635
Less: intangible assets		(804)	(851)
Less: total liabilities		(3,005)	(3,045)
Net tangible assets		**716**	**739**
Number of shares outstanding (in millions)	4.5	1,889	1,814
Net tangible assets per share		**$0.38**	**$0.41**

Section 3 Assets

3.1 Receivables and prepayments

AS AT 30 JUNE	2025 $M	2024 $M
Short-term receivables and prepayments		
Trade receivables	422	431
Short-term prepayments	108	135
Short-term unbilled revenue	294	278
Short-term contract costs	52	47
Short-term finance lease receivables	13	6
Other short-term receivables[1,2]	50	18
	939	**915**
Long-term receivables and prepayments		
Long-term unbilled revenue	99	111
Long-term prepayments	105	66
Long-term contract costs	84	91
Long-term finance lease receivables	96	75
Long-term loans receivable[2]	3	166
Other long-term receivables	–	6
	387	**515**

1. Other short-term receivables include $47 million for the sale of shares in Hutchison, received on 17 July 2025, see note 1.3 for further details.
2. FY25 balances have been impacted by the sale of the remaining Connexa investment, see note 1.4 for further details.

Amounts are stated at their net carrying value, including expected credit loss allowance provisions. The fair value of finance lease receivables is estimated to be $116 million (30 June 2024: $72 million) and the carrying amount of all other receivables, measured at amortised cost, are approximately equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Contract costs

Contract costs include costs to obtain a contract and costs to fulfil a contract. These costs are expected to be recovered and are therefore initially deferred to the statement of financial position and then recognised within operating expenses on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The following summarises changes in those balances:

		2025			2024		
YEAR ENDED 30 JUNE	NOTES	COSTS TO OBTAIN A CONTRACT $M	COSTS TO FULFIL A CONTRACT $M	TOTAL $M	COSTS TO OBTAIN A CONTRACT $M	COSTS TO FULFIL A CONTRACT $M	TOTAL $M
Opening balance as at 1 July		26	112	138	21	119	140
Additions		9	51	60	13	52	65
Transferred to leased customer equipment assets	3.5	–	–	–	–	(4)	(4)
Transferred to intangible assets	3.7	–	–	–	–	(4)	(4)
Transferred to property, plant and equipment	3.6	–	–	–	–	(1)	(1)
Amortisation recognised in operating expenses		(6)	(56)	(62)	(8)	(50)	(58)
Closing balance as at 30 June		**29**	**107**	**136**	**26**	**112**	**138**
Short-term contract costs		6	46	52	6	41	47
Long-term contract costs		23	61	84	20	71	91

Key estimates and assumptions

Determining the costs incurred to obtain or fulfil a contract that meet the deferral criteria within NZ IFRS 15 requires significant judgement. Further, where such costs can be deferred, determining the appropriate amortisation period to recognise the costs within operating expenses requires management judgement, including assessing the expected average customer tenure for consumer customers and the expected contract term for enterprise customers. The amortisation period of the contract costs ranges from 2 years to 11 years.

Expected credit loss allowance provision

Movements in the loss allowance provision are as follows:

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Opening balance as at 1 July	20	17
Charged to expenses	22	17
Bad debts recovered	(3)	(2)
Utilised	(17)	(12)
Closing balance as at 30 June	**22**	**20**

3.1 Receivables and prepayments (continued)

Spark has applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade receivables, unbilled revenue, contract costs, and finance lease receivables. The calculation of the allowance provision incorporates Spark's previous collection history and forward-looking information, such as forecasted economic conditions.

The expected credit loss allowance provision has been determined as follows:

AS AT 30 JUNE 2025	CURRENT $M	≤ 1 MONTH $M	> 1 MONTH $M	TOTAL $M
Expected loss rate	1.6%	0.5%	15.6%	1.9%
Gross carrying amount	892	198	45	1,135
Expected credit loss allowance provision	**14**	**1**	**7**	**22**
Short-term loss allowance provision	10	1	7	18
Long-term loss allowance provision	4	–	–	4

AS AT 30 JUNE 2024	$M	$M	$M	$M
Expected loss rate	1.2%	1.4%	8.8%	1.6%
Gross carrying amount	1,107	74	68	1,249
Expected credit loss allowance provision	**13**	**1**	**6**	**20**
Short-term loss allowance provision	8	1	6	15
Long-term loss allowance provision	5	–	–	5

The composition of the credit loss allowance provision between receivable types is as follows:

AS AT 30 JUNE	2025 $M	2024 $M
Trade receivables	10	8
Unbilled revenue	9	7
Contract costs	2	3
Finance lease receivables	1	1
Loans receivable	–	1
Expected credit loss allowance provision	**22**	**20**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

Key estimates and assumptions

The expected credit loss allowance provision is determined based on assumptions about the risk of default and expected loss rates of customers and other counterparties. Spark uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on Spark's past collection history, existing market conditions, as well as forward-looking estimates at the end of the reporting period. Forward-looking estimates include assessment of forecasted changes to interest rates, unemployment rates and Gross Domestic Product in New Zealand.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Finance lease receivables

Spark has a number of leases for space in exchange buildings, including as a lessor for space in Spark exchanges and a lessee for space in Chorus exchanges. These leases include a legal right of offset, as Spark and Chorus settle the payments on a net basis and are therefore shown as a net finance lease receivable or net lease liability on the statement of financial position.

In FY25, Spark assigned its leases for the Victoria Street Auckland office building to a third party. In FY23, Spark assigned its ground leases for the mobile site assets sold to Connexa. This resulted in Spark recording finance lease receivables equal to the lease liabilities for these leases. Spark is unwinding these balances over the remaining term to the next right of renewal, at which point these will be novated.

In addition, Spark subleases a number of office building floors. Where subleases are for the whole of the remaining non-cancellable term of the head lease, these are classified as a finance lease.

The profile of lease net receipts is set out below:

	2025		2024	
AS AT 30 JUNE	UNDISCOUNTED $M	DISCOUNTED $M	UNDISCOUNTED $M	DISCOUNTED $M
Less than one year[1]	20	13	11	4
Between one and five years	51	26	30	5
More than five years	129	70	135	71
Net finance lease receivables	**200**	**109**	**176**	**80**
Plus short-term portion of finance lease receivables in liability position	–	–	–	1
Total finance lease receivables	**200**	**109**	**176**	**81**
Less unearned finance income	(91)	–	(95)	–
Present value of finance lease receivables	**109**	**109**	**81**	**81**
Short-term finance lease receivables		13		6
Long-term finance lease receivables		96		75

1. The discounted balance as at 30 June 2025 has less than $1 million of sublease receivable assets, offset by less than $1 million liability relating to the Chorus finance lease receivable (30 June 2024: $5 million sublease receivable asset, offset by a $1 million liability relating to the Chorus finance lease receivable).

The lease with Chorus, where Spark is the lessor, has multiple rights of renewals and the full lease term has been used in the majority of the calculation of the financial lease receivable at lease inception, as it was likely that because of the specialised nature of the buildings, the lease would be renewed to the maximum term.

3.2 Inventories

AS AT 30 JUNE	2025 $M	2024 $M
Goods held for resale	83	89
Total inventories	**83**	**89**

3.3 Long-term investments

AS AT 30 JUNE	MEASUREMENT BASIS	2025 $M	2024 $M
Shares in Hutchison	Fair value through other comprehensive income	–	41
Investment in associates and joint ventures	Equity method	73	161
Other long-term investments	Cost	3	4
		76	**206**

Spark held a 10% interest in Hutchison, which was quoted on the Australian Securities Exchange (ASX) and its fair value was measured using the observable bid share price as quoted on the ASX, classified as being within Level 1 of the fair value hierarchy. On 25 June 2025, Spark sold its 10% shareholding in Hutchison for AU$0.032 per share, with $48 million cash proceeds received on 17 July 2025. As at 30 June 2025, the investment was remeasured to $47 million using this share price (30 June 2024: AU$0.028) and recognised as a receivable, see note 1.3 for further details. The increase in fair value of $5 million was recognised in other comprehensive income (30 June 2024: $20 million decrease).

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 30 June 2025 consists of the following:

NAME	TYPE	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Flok Limited	Associate	New Zealand	38%	Hardware and software development
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development

On 28 February 2025, Spark sold its remaining ~17% interest in FrodoCo Holdings Limited, the holding company for Connexa, to global investment group CDPQ. See note 1.4 for further details on the sale of this investment in associate.

All investments in associates and joint ventures are measured using the equity method. Changes in the aggregate carrying amount of Spark's investment in associates and joint ventures were as follows:

	2025			2024		
YEAR ENDED 30 JUNE	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M
Opening balance as at 1 July	143	18	161	168	19	187
Additional investments during the year	–	–	–	–	1	1
Disposals	(65)	–	(65)	(3)	–	(3)
Return of capital	(17)	–	(17)	(7)	–	(7)
Share of net losses	(5)	(1)	(6)	(15)	(2)	(17)
Closing balance as at 30 June	**56**	**17**	**73**	**143**	**18**	**161**

Spark has suspended equity accounting for Pacific Carriage Holdings Limited Inc and Southern Cross Cables Holdings Limited (together 'Southern Cross') as their carrying values were reduced to nil. Spark has no obligation to fund Southern Cross deficits or repay dividends. For the year ended 30 June 2025, Spark's share of Southern Cross profits was not recognised because of the existence of historic cumulative Southern Cross deficits. In the current year Southern Cross profit was $53 million (30 June 2024: $46 million).

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.4 Right-of-use assets

Spark is a lessee for a large number of leases, including:

- Property – Spark leases a number of office buildings and retail stores. Some of these leases have rights of renewal that are reasonably certain to be exercised and therefore may have long expected lease terms
- Capacity arrangements – Spark enters into a number of indefeasible right-of-use capacity arrangements for cable capacity
- Mobile sites – Spark has entered into a number of agreements to allow the operation of mobile network infrastructure throughout New Zealand
- Motor vehicles – Spark leases motor vehicles for use in sales, field operations and maintenance of infrastructure equipment
- IT storage and compute – Spark leases IT capacity infrastructure to process, store, and manage data for use in providing services to customers
- Other – Spark leases equipment that is held at Spark premises and used to provide services to customers.

Movements in right-of-use assets are summarised below:

YEAR ENDED 30 JUNE 2025	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		132	197	78	5	72	3	487
Additions and acquisitions		105	3	38	–	36	3	185
Disposals		(22)	–	(1)	(1)	–	–	(24)
Assets classified as held for sale	1.5	(3)	–	–	–	–	–	(3)
Remeasurements[1]	4.2	6	1	5	–	1	1	14
Depreciation charge[2]	1.5, 2.4	(36)	(25)	(10)	(2)	(29)	(2)	(104)
Closing net book value		**182**	**176**	**110**	**2**	**80**	**5**	**555**

YEAR ENDED 30 JUNE 2024	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		186	212	65	3	21	1	488
Additions and acquisitions		10	10	13	4	60	–	97
Transferred from leased customer equipment assets	3.5	–	–	–	–	4	4	8
Disposals		(3)	–	–	–	–	–	(3)
Remeasurements[1]	4.2	(29)	–	7	1	7	–	(14)
Depreciation charge[2]	1.5, 2.4	(32)	(25)	(7)	(3)	(20)	(2)	(89)
Closing net book value		**132**	**197**	**78**	**5**	**72**	**3**	**487**

1. Remeasurements to property in FY25 and FY24 primarily relate to modifications for corporate property and mobile site leases. The increase/(decrease) in the right-of-use assets for corporate property leases is substantially offset by an increase/(decrease) in property lease liabilities (see note 4.2).
2. Depreciation includes charges for continuing and discontinuing operations.

All capacity additions for the years ended 30 June 2025 and 30 June 2024 were fully paid on control being obtained and therefore deemed capital expenditure, which is a non-GAAP measure, as defined and reconciled in note 2.5.

Income from subleasing right-of-use assets for the year ended 30 June 2025 was $1 million (30 June 2024: $2 million).

3.4 Right-of-use assets (continued)

Key estimates and assumptions

At inception of a contract Spark assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Spark assesses whether:

- The contract involves the use of an identified asset
- Spark has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Spark has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, Spark allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Spark recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically assessed for impairment losses and adjusted for certain remeasurements of the lease liability.

3.5 Leased customer equipment assets

Spark acts as the intermediate party (as a lessee and a lessor) in a number of lease arrangements for customer premises equipment. Such arrangements may also include an initial sale and leaseback transaction. A sale and leaseback transaction contains a genuine sale if control of an asset is transferred under NZ IFRS 15. For Spark's back-to-back lease arrangements we have assessed that a sale does not occur, as control over the equipment remains with Spark instead of passing to the buyer-lessor. Spark also acts as a lessor, where there is no intermediate party, for customer premises equipment.

Spark as the seller-lessee or lessor (when the lease is an operating lease) continues to recognise the leased customer equipment asset, which is initially measured at cost. The assets are subsequently depreciated using the straight-line method based on their estimated useful lives. Movements in leased customer equipment assets are summarised below:

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
Opening net book value		70	77
Additions		17	32
Transferred to right-of-use assets	3.4	–	(8)
Transferred from contract costs	3.1	–	4
Disposals		(1)	(2)
Depreciation charge		(27)	(33)
Closing net book value		**59**	**70**
AS AT 30 JUNE			
Cost		210	205
Accumulated depreciation and impairment losses		(151)	(135)
Closing net book value		**59**	**70**

Leased customer equipment assets are leased to customers under operating leases. Revenue received from these arrangements and other operating leases for the year ended 30 June 2025, including from discontinuing operation, were $62 million (30 June 2024: $62 million).

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.6 Property, plant and equipment

YEAR ENDED 30 JUNE 2025	NOTES	TELECOMMUNI-CATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		792	59	260	85	198	1,394
Additions and acquisitions[1]		–	–	–	–	316	316
Assets classified as held for sale	1.5	(98)	(9)	(88)	(1)	(40)	(236)
Transfers		238	–	30	95	(363)	–
Disposals		–	–	–	(1)	(2)	(3)
Depreciation charge[2]	1.5, 2.4	(222)	–	(26)	(39)	–	(287)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**
AS AT 30 JUNE 2025							
Cost		3,581	50	508	572	109	4,820
Accumulated depreciation and impairment losses		(2,871)	–	(332)	(433)	–	(3,636)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**

YEAR ENDED 30 JUNE 2024	NOTES	TELECOMMUNI-CATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		732	61	256	61	154	1,264
Additions and acquisitions[1]		–	–	–	–	387	387
Transfers		244	(2)	29	73	(344)	–
Disposals		(5)	–	–	(18)	–	(23)
Transfer from contract costs	3.1	–	–	–	–	1	1
Depreciation charge[2]	1.5, 2.4	(179)	–	(25)	(31)	–	(235)
Closing net book value		**792**	**59**	**260**	**85**	**198**	**1,394**
AS AT 30 JUNE 2024							
Cost		3,479	59	622	504	198	4,862
Accumulated depreciation and impairment losses		(2,687)	–	(362)	(419)	–	(3,468)
Closing net book value		**792**	**59**	**260**	**85**	**198**	**1,394**

1. Included in additions is $44 million (30 June 2024: $42 million) of assets fully funded by customers or vendors.
2. Depreciation includes charges for continuing and discontinuing operations.

3.6 Property, plant and equipment (continued)

Joint arrangement

Spark has a joint arrangement relating to the construction and operation of the Tasman Global Access fibre-optic submarine cable between Australia and New Zealand. As at 30 June 2025, the carrying values of Spark's share of property, plant and equipment and capacity right-of-use assets in the joint operation were $10 million and $19 million, respectively (30 June 2024: $11 million and $20 million, respectively).

Key estimates and assumptions

Spark's property, plant and equipment is measured at cost and depreciation is charged on a straight-line basis over the assets' estimated useful lives. Determining the appropriate useful life of property, plant and equipment requires management judgement, including the expected period of service potential, the likelihood technological advances will make the asset obsolete, the likelihood of Spark ceasing to use it and the effect of government regulation.

The estimated useful lives of Spark's property, plant and equipment are as follows:

Telecommunications equipment	
Links and cables	9 – 50 years
Network transport	2 – 15 years
Mobile radio access network	5 – 25 years
Customer premises equipment	3 – 5 years
International cable and satellite	10 – 15 years
Buildings	
Buildings	15 – 53 years
Furniture and fittings	3 – 20 years
Air conditioning	5 – 20 years
Power systems	3 – 25 years
Batteries	5 – 15 years
Other	
Motor vehicles	6 years
Computer equipment	2 – 8 years
Internal IT system assets	3 – 15 years

The assessment of assets for impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, the discontinuance of services, the expected future cash flows an asset is expected to generate and other changes in circumstances that indicate an impairment exists. Key judgements include rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for valuing future cash flows.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.7 Intangible assets

YEAR ENDED 30 JUNE 2025	NOTE	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		352	163	15	244	77	851
Additions and acquisitions[1]		–	–	–	–	157	157
Assets classified as held for sale	1.5	–	–	–	(10)	(1)	(11)
Transfers		192	–	1	–	(193)	–
Disposals		–	–	(3)	(4)	–	(7)
Amortisation charge		(163)	(18)	(5)	–	–	(186)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**
AS AT 30 JUNE 2025							
Cost		1,957	355	73	278	40	2,703
Accumulated amortisation and impairment losses		(1,576)	(210)	(65)	(48)	–	(1,899)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**

YEAR ENDED 30 JUNE 2024	NOTE	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		314	158	10	234	90	806
Additions and acquisitions[1]		–	–	–	10	203	213
Transfers		184	23	13	–	(220)	–
Transfer from contract costs	3.1	–	–	–	–	4	4
Disposals		(2)	–	–	–	–	(2)
Amortisation charge		(144)	(18)	(8)	–	–	(170)
Closing net book value		**352**	**163**	**15**	**244**	**77**	**851**
AS AT 30 JUNE 2024							
Cost		1,766	355	79	292	77	2,569
Accumulated amortisation and impairment losses		(1,414)	(192)	(64)	(48)	–	(1,718)
Closing net book value		**352**	**163**	**15**	**244**	**77**	**851**

1. Included in additions is $3 million (30 June 2024: $8 million) of assets fully funded by customers or vendors. Total software capitalised in the year ended 30 June 2025 includes $97 million (30 June 2024: $84 million) of internally generated assets. Other software capitalised in the year includes software licences and externally supplied labour.

Key estimates and assumptions

Intangible assets are amortised over their useful lives on a straight-line basis, except goodwill, which is tested for impairment annually. Determining the appropriate useful life of an intangible asset requires management judgement, including assessing the expected period of service potential, the likelihood technological advances will make it obsolete and the likelihood of Spark ceasing to use it.

The estimated useful lives of Spark's intangible assets are as follows:

Spectrum licences	2 - 21 years
Software	2 - 16 years
Customer contracts and brands	5 - 10 years
Other intangible assets	2 - 100 years

3.7 Intangible assets (continued)

Goodwill

Goodwill by cash-generating unit (CGU) is presented below:

AS AT 30 JUNE	2025 $M	2024 $M
Mobile	47	34
Broadband	3	3
IT Products	110	117
IT Services	50	53
High-tech	20	20
Digital Island	–	17
	230	**244**

On 28 February 2025, Spark sold its subsidiary Digital Island Limited, excluding Digital Island's mobile services business which has been transferred to Spark. $4 million of goodwill was disposed as part of the sale and the remaining $13 million relating to the retained mobile business was transferred to the mobile CGU in Spark.

Goodwill from IT products and IT services of $10 million relating to the data centre business has been classified as assets held for sale during FY25, see note 1.5 for further details.

During the years ended 30 June 2025 and 30 June 2024, no impairment arose as a result of the assessment of the carrying value of goodwill. Headroom currently exists in each CGU and, based on the sensitivity analysis performed, no reasonably possible changes in the assumptions would cause the carrying amount of the CGUs to exceed their recoverable amounts.

Key estimates and assumptions

Goodwill is assessed annually for impairment using a value-in-use model, which estimates the future cash flows, based on the FY25 Board-approved business plan, applied to the next three years, with key assumptions being forecast earnings and capital expenditure for each CGU. The forecast financial information is based on both past experience and future expectations of CGU performance. The key inputs and assumptions used in performing an impairment assessment that require judgement include revenue forecasts, operating cost projections, customer numbers and customer churn, discount rates, growth rates and future technology paths.

Nil terminal growth was applied to all CGUs and a pre-tax discount rate of 11.0% was utilised for the year ended 30 June 2025 (30 June 2024: 11.3%). Management considers that the risk aspects, prospects and exposure are sufficiently similar to apply these rates across all CGU's.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

Section 4 Liabilities and equity

4.1 Payables, accruals and provisions

AS AT 30 JUNE	2025 $M	2024 $M
Short-term payables, accruals and provisions		
Trade accounts payable and accruals	321	299
Revenue billed in advance	111	112
Accrued personnel costs	29	36
Accrued interest	4	6
GST payable	36	51
Short-term sale and leaseback liabilities	18	26
Short-term provisions	8	12
Other short-term payables and accruals	9	8
	536	**550**
Long-term payables, accruals and provisions		
Long-term sale and leaseback liabilities	31	34
Long-term provisions	3	15
Other long-term payables and accruals	15	7
	49	**56**

Trade accounts payable and sale and leaseback liabilities are financial instruments held at amortised cost.

Provisions

The following table summarises movements in provisions in the year:

YEAR ENDED 30 JUNE 2025	SPARK SPORT PROVISION $M	MAKE-GOOD PROVISIONS $M	TOTAL $M
Opening balance as at 1 July	23	4	27
Additional provisions made in the year	1	1	2
Amounts utilised during the year	(18)	(1)	(19)
Unwinding of discount	1	–	1
Closing balance at 30 June	**7**	**4**	**11**
Short-term provisions	7	1	8
Long-term provisions	–	3	3

4.2 Lease liabilities

YEAR ENDED 30 JUNE 2025	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance	162	2	488	5	79	5	741
Leases entered into during the year	148	–	38	–	37	3	226
Disposals	(4)	–	(8)	–	–	–	(12)
Liabilities classified as held for sale	(4)	–	–	–	–	–	(4)
Interest expense	12	–	33	–	6	–	51
Principal repayments	(53)	(1)	(60)	(3)	(32)	(2)	(151)
Remeasurements[1]	6	1	8	–	1	–	16
Balance at the end of the year	**267**	**2**	**499**	**2**	**91**	**6**	**867**
Short-term lease liabilities	40	–	34	1	30	2	107
Long-term lease liabilities	227	2	465	1	61	4	760
Lease liabilities - non-cancellable commitments[2]	**251**	**2**	**499**	**2**	**91**	**6**	**851**

YEAR ENDED 30 JUNE 2024	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance	220	2	529	3	20	2	776
Leases entered into during the year	10	–	13	4	61	–	88
Transferred from sale and leaseback liabilities	–	–	–	–	4	4	8
Disposals	(3)	–	(1)	–	–	–	(4)
Interest expense	8	–	36	–	3	1	48
Principal repayments	(45)	(1)	(60)	(3)	(17)	(2)	(128)
Remeasurements[1]	(28)	1	(29)	1	8	–	(47)
Balance at the end of the year	**162**	**2**	**488**	**5**	**79**	**5**	**741**
Short-term portion of finance lease receivable	1	–	–	–	–	–	1
Total lease liability balance	**163**	**2**	**488**	**5**	**79**	**5**	**742**
Short-term lease liabilities	37	–	30	2	25	2	96
Long-term lease liabilities	126	2	458	3	54	3	646
Lease liabilities – non-cancellable commitments[2]	**277**	**2**	**496**	**5**	**85**	**5**	**870**

1. Remeasurements in FY25 and FY24 primarily relate to modifications for corporate property and mobile site leases. For corporate properties, the increase/(decrease) in lease liabilities is substantially offset by an increase/(decrease) in property right-of-use assets (see note 3.4). For mobile site remeasurements, there is not an equal adjustment to right-of-use assets as the majority of these adjustments relate to Connexa leases which have a smaller right-of-use asset due to the sale and leaseback transaction.
2. Relates to the discounted lease liability for future minimum rental commitments for non-cancellable periods of leases, excluding rights of renewal, which are at Spark's option, including leases committed to that have not yet commenced.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.2 Lease liabilities (continued)

Key estimates and assumptions

Spark recognises a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Spark's incremental borrowing rate. Generally Spark uses its incremental borrowing rate as the discount rate, with adjustments for the type and term of the lease.

Lease payments included in the measurement of the lease liability which comprise:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that Spark is reasonably certain to exercise
- Lease payments in an optional renewal period if Spark is reasonably certain to exercise an extension option

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Spark's estimate of the amount expected to be payable under a residual value guarantee or if Spark changes its assessment of whether it will exercise a purchase or extension option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Spark has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets. Spark recognises the lease payments associated with these leases within operating expenses on a straight-line basis over their lease terms.

4.3 Debt

Debt is recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, debt is classified and measured at amortised cost plus, for hedged liabilities that are in a fair value hedging relationship, adjustments for fair value changes attributable to the risk being hedged. Any difference between cost and redemption value (including fair value changes) is recognised in the statement of profit or loss over the period of the borrowings, using the effective interest rate method.

AS AT 30 JUNE	NOTE	FACILITY	COUPON RATE	MATURITY	2025 $M	2024 $M
Current debt						
Commercial paper			Variable	< 3 months	150	208
					150	**208**
Supplier financing arrangements[1]			Variable	< 30/06/2029	32	21
					32	**21**
Bank funding						
Commonwealth Bank of Australia[2]		100 million NZD	Variable	30/11/2024	–	100
Bank of New Zealand		100 million NZD	Variable	30/05/2025	–	85
MUFG Bank Ltd.[2]		125 million NZD	Variable	30/11/2025	125	–
					125	**185**
Foreign currency Medium Term Notes						
Australian Medium Term Notes - 100 million AUD			1.90%	05/06/2026	105	–
					105	–
Total current debt	4.4				**412**	**414**
Non-current debt						
Supplier financing arrangements[1]			Variable	< 30/06/2029	28	49
					28	**49**
Bank funding						
MUFG Bank Ltd.[2]		125 million NZD	Variable	30/11/2025	–	125
Commonwealth Bank of Australia[2]		100 million NZD	Variable	30/11/2027	70	–
					70	**125**
Domestic notes						
125 million NZD			3.94%	07/09/2026	124	117
100 million NZD[3]			4.37%	29/09/2028	100	100
125 million NZD			5.21%	18/09/2029	129	124
175 million NZD			5.45%	18/09/2031	182	174
					535	**515**
Foreign currency Medium Term Notes						
Australian Medium Term Notes - 100 million AUD			1.90%	05/06/2026	–	102
Australian Medium Term Notes - 150 million AUD			4.00%	20/10/2027	160	156
Australian Medium Term Notes - 125 million AUD			2.60%	18/03/2030	123	116
Norwegian Medium Term Notes - 1 billion NOK[4]			3.07%	19/03/2029	154	142
					437	**516**
Total non-current debt	4.4				**1,070**	**1,205**
Total debt					**1,482**	**1,619**

1. With respect to arrangements with outstanding liabilities during the year, including those entered into in prior years, financing providers have paid suppliers a total of $109 million, Spark has accrued interest of $5 million and made payments against these arrangements of $54 million, resulting in a closing liability of $60 million as at 30 June 2025 (30 June 2024: financers have paid suppliers $120 million, Spark has accrued interest of $4 million and made payments against these arrangements of $54 million, resulting in a closing liability of $70 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities. These supplier financing arrangements have extended payment terms ranging from two to six years from initial supplier financing arrangement commencement dates, generally with monthly repayments. There are no security nor guarantees provided relating to these arrangements.
2. These facilities are sustainability linked loans. Spark will receive lower interest rates for the next annual period if it achieves annual sustainability targets or pay higher rates on the loans for the next annual period if it falls short of these annual targets.
3. This bond is a sustainability linked bond. The bond includes an increase to interest rate if the sustainability target is not achieved at 30 June 2026.
4. Norwegian krone.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.3 Debt (continued)

Changes in Spark's short-term and long-term financing are disclosed in note 1.3 of these financial statements.

None of Spark's debt is secured and all debt ranks equally with other liabilities. There are no financial covenants over Spark's debt, however, there are certain triggers in the event of default, as defined in the various debt agreements. There have been no events of default over Spark's debt in the years ended 30 June 2025 and 30 June 2024.

The fair value of total debt based on market observable prices was $1,489 million compared to a carrying value of $1,482 million as at 30 June 2025 (30 June 2024: fair value of $1,635 million compared to a carrying value of $1,619 million).

4.4 Capital risk management

Spark manages its capital considering shareholders' interests, the value of Spark's assets and the Company's credit rating. The Board is focused on the Company retaining a strong balance sheet, targeting metrics consistent with its current S&P Global credit ratings. At 30 June 2025, Spark's net debt to EBITDAI (including lease liabilities) ratio was 2.2x. As a result of the Hutchison investment sale proceeds received in July 2025 and the expected sale of the data centre business, which was announced in August 2025, Spark expects that its net debt to EBITDAI ratio will reduce by 0.5x by the end of H1 FY26.

As at 30 June 2025, the Company's S&P Global credit ratings for long-term and short-term debt was, respectively, A- and A-2 with outlook negative (30 June 2024: A- and A-2 with outlook stable).

Net debt

A reconciliation of net debt at hedged rates (a non-GAAP measure) and net debt at carrying value is provided below:

AS AT 30 JUNE	2025 $M	2024 $M
Cash	(34)	(59)
Current debt at face value	417	418
Non-current debt at face value	1,085	1,267
Net debt at face value	**1,468**	**1,626**
To retranslate debt balances at swap rates where hedged by currency swaps	7	10
Net debt at hedged rates[1]	**1,475**	**1,636**
Non-cash adjustments		
Impact of fair value hedge adjustments[2]	7	9
Unamortised discount	(4)	(7)
Net debt at carrying value	**1,478**	**1,638**

1. Net debt at hedged rates is the value of hedged cash flows due to arise on maturity.
2. Fair value hedge adjustments arise on domestic notes in fair value hedges and foreign currency medium term notes in dual fair value and cash flow hedges. These have no impact on the cash flows to arise on maturity.

4.4 Capital risk management (continued)

A reconciliation of movements in net debt is provided below:

		CASH FLOWS		NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2025	AS AT 1 JULY 2024 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2025 $M
Cash	(59)	(16,466)	16,491	–	–	–	–	(34)
Current debt	414	2,219	(2,358)	(1)	–	–	138	412
Non-current debt	1,205	10,163	(10,221)	–	43	3	(123)	1,070
Derivatives	78	–	–	–	(45)	(3)	–	30
Net debt at carrying value	**1,638**	**(4,084)**	**3,912**	**(1)**	**(2)**	**–**	**15**	**1,478**

		CASH FLOWS		NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2024	AS AT 1 JULY 2023 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2024 $M
Cash	(100)	(19,625)	19,666	–	–	–	–	(59)
Current debt	236	2,101	(1,947)	1	3	–	20	414
Non-current debt	816	13,729	(13,373)	–	10	4	19	1,205
Derivatives	97	–	–	–	(14)	(4)	(1)	78
Net debt at carrying value	**1,049**	**(3,795)**	**4,346**	**1**	**(1)**	**–**	**38**	**1,638**

4.5 Equity and dividends

Share capital

Movements in the Company's issued ordinary shares were as follows:

YEAR ENDED 30 JUNE	2025 NUMBER	2024 NUMBER
Shares at the beginning of the year	1,814,155,480	1,845,000,906
Cancelled shares acquired under the on-market share buy-back programme	–	(31,803,206)
Dividend reinvestment plan	74,185,274	–
Issuance of shares under share schemes and other transfers	981,753	957,780
Shares at the end of the year	**1,889,322,507**	**1,814,155,480**

All issued shares are fully paid and have no par value. Shareholders of ordinary shares have the right to vote at any general meeting of the Company.

Dividends[1]

	2025		2024	
YEAR ENDED 30 JUNE	CENTS PER SHARE	$M	CENTS PER SHARE	$M
Previous year second half-year dividend	14.0	254	13.5	249
First half-year dividend	12.5	230	13.5	245
Total dividends in the year	**26.5**	**484**	**27.0**	**494**
Second half-year dividend declared subsequent to balance date not provided for	12.5	236	14.0	254

1. Dividends paid disclosed above exclude supplementary dividends. For the year ended 30 June 2025, supplementary dividends paid were $37 million (30 June 2024: $48 million).

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.5 Equity and dividends (continued)

Events after balance date

On 19 August 2025 the Board approved the payment of a second-half ordinary dividend of 12.5 cents per share or approximately $236 million. This ordinary dividend will be 75% imputed. In addition, supplementary dividends totalling approximately $14 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

	H1 FY25 ORDINARY DIVIDENDS	H2 FY25 ORDINARY DIVIDENDS
Dividends declared		
Ordinary shares	12.5 cents	12.5 cents
American Depositary Shares[1]	35.64 US cents	37.35 US cents
Imputation		
Percentage imputed	75%	75%
Imputation credits per share	3.6458 cents	3.6458 cents
Supplementary dividend per share[2]	1.6544 cents	1.6544 cents
'Ex' dividend dates		
New Zealand Stock Exchange	20/03/2025	09/09/2025
Australian Securities Exchange	20/03/2025	09/09/2025
American Depositary Shares	21/03/2025	09/09/2025
Record dates		
New Zealand Stock Exchange	21/03/2025	10/09/2025
Australian Securities Exchange	21/03/2025	10/09/2025
American Depositary Shares	21/03/2025	10/09/2025
Payment dates		
New Zealand and Australia	04/04/2025	03/10/2025
American Depositary Shares	14/04/2025	13/10/2025

1. Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H2 FY25 these are based on the exchange rate at 13 August 2025 of NZ$1 to US$0.5976 and a ratio of five ordinary shares per one American Depositary Share. The actual exchange rate used for conversion is determined in the week prior to payment when the Bank of New York Mellon performs the physical currency conversion.
2. Supplementary dividends are paid to non-resident shareholders.

Dividend reinvestment plan

The company has a dividend reinvestment plan under which shareholders can elect to receive dividends in additional shares. The dividend reinvestment plan has been suspended.

Section 5 Financial instruments

5.1 Derivatives and hedge accounting

	2025		2024	
AS AT 30 JUNE	DERIVATIVE ASSETS $M	DERIVATIVE LIABILITIES $M	DERIVATIVE ASSETS $M	DERIVATIVE LIABILITIES $M
Designated in a cash flow hedge	–	(26)	26	–
Designated in a fair value hedge	11	(1)	–	(10)
Designated in a dual fair value and cash flow hedge	–	(40)	–	(68)
	11	**(67)**	**26**	**(78)**
Short-term derivatives	–	(7)	1	–
Long-term derivatives	11	(60)	25	(78)

Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange prices. This represents a level two measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within level one that are observable for the asset or liability. As at 30 June 2025 and 30 June 2024, no derivative financial assets or derivative financial liabilities have been offset in the statement of financial position. The potential for offsetting of any derivative financial instruments is $10 million (30 June 2024: $11 million), which if applied would result in a reduction of derivative assets and derivative liabilities.

Hedge accounting

Derivatives are hedge accounted when they are designated into an effective hedge relationship as a hedging instrument. The nature and the effectiveness of the hedge accounting relationship will determine where the gains and losses on remeasurement are recognised. Derivatives are designated as:

- Fair value hedges, where the derivative is used to manage interest rate risk in relation to debt.
- Cash flow hedges, where the derivative is used to manage the variability in cash flows of highly probable forecast transactions.
- Dual fair value and cash flow hedges, where the derivative is used to hedge the interest rate risk on foreign debt and the variability in cash flows due to movements in foreign exchange rates.

At inception, each hedge relationship is formalised in hedge documentation. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Spark determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of respective cash flows, reference interest rates, tenors (time to maturity), repricing dates, maturities and notional amounts. Spark assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting the changes in cash flows of the hedged item using the hypothetical derivative method.

Derivatives in hedge relationships are designated based on a hedge ratio of 1:1. In these hedge relationships the main source of ineffectiveness is the effect of the counterparty and Spark's own credit risk on the fair value of the derivatives, which is not reflected in the change in the fair value of the hedged item attributable to changes in foreign exchange and interest rates.

Cash flow hedges

Cross-currency interest rate swaps and interest rate swaps are jointly designated in cash flow hedges to manage interest and foreign exchange rate risk on debt. The hedged cash flows will affect Spark's statement of profit or loss and other comprehensive income as interest and principal amounts are repaid over the remaining term of the debt.

Interest rate swaps are designated in cash flow hedges to manage the interest rate exposure of highly probable forecast variable rate debt and aggregate variable interest rate exposures created by swapping local or foreign currency floating-rate (variable) debt into fixed-rate debt.

Spark also enters into forward exchange contracts to hedge forecast foreign currency purchases, the majority expected to be made within 12 months. The related cash flows are recognised in the statement of profit or loss and other comprehensive income over this period.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

A reconciliation of movements in the hedge reserves, net of tax, is outlined below:

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Opening balance as at 1 July	12	11
Loss recognised in other comprehensive income	(48)	(9)
Amount reclassified to finance expense	9	9
Amount reclassified to property, plant and equipment, intangible assets and inventory	3	1
Total movements to other comprehensive income	**(36)**	**1**
Closing balance as at 30 June	**(24)**	**12**

Included within the closing balance at 30 June 2025 is $3 million relating to the cost of hedging reserve (30 June 2024: $4 million). The movement in the hedge reserves includes $45 million in the change in fair value of cross-currency and domestic interest rate swaps less $13 million associated deferred tax and $4 million for forward foreign exchange contracts (30 June 2024: $1 million for forward foreign exchange contracts).

Fair value hedges

Interest rate swaps are designated in a fair value hedge to manage interest rate risk in relation to debt. The gain or loss from remeasuring the interest rate swaps and debt at fair value is recognised in the statement of profit or loss and other comprehensive income. During the year ended 30 June 2025, there has been no material ineffectiveness on fair value hedging relationships (30 June 2024: no material ineffectiveness) and as a result, no material changes have been recognised in profit and loss.

Dual fair value and cash flow hedges

Spark has Australian dollar (AUD) and Norwegian krone (NOK) denominated debt. As part of Spark's risk management policy, cross-currency interest rate swaps (CCIRSs) are entered into to convert all of the proceeds of the debt issuances to New Zealand dollars and convert the foreign currency fixed rate of the debt issuance to a New Zealand dollar floating rate. To mitigate profit or loss volatility, the CCIRSs were designated into a dual fair value and cash flow hedge relationship. The foreign currency basis element of the CCIRSs are excluded from the designation and are separately recognised in other comprehensive income in a cost of hedging reserve.

For fair value hedges, the gain or loss from remeasuring the CCIRSs and debt at fair value is recognised in the statement of profit or loss and other comprehensive income. For cash flow hedges, gains or losses deferred in the cash flow hedge reserve will be reclassified to Spark's statement of profit or loss and other comprehensive income as interest and principal amounts are repaid over the remaining term of the debt.

The change in fair value of the hedging instruments relating to the foreign currency basis component of the CCIRSs are recognised in other comprehensive income and accumulated in a cost of hedging equity reserve. Subsequently, the cumulative amount is transferred to profit or loss at the same time as the hedged item impacts profit or loss.

5.1 Derivatives and hedge accounting (continued)

The details of the hedging instruments are as follows:

AS AT 30 JUNE 2025	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGING INSTRUMENT ASSETS $M	CARRYING AMOUNT OF THE HEDGING INSTRUMENT LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS $M
Cash flow hedges					
Interest rate swaps	NZD 1b	Derivatives	–	(22)	(22)
Forward foreign exchange contracts	NZD 110m	Derivatives	–	(4)	(4)
Fair value hedges					
Interest rate swaps	NZD 425m	Derivatives	11	(1)	10
Fair value and cash flow hedges					
Cross-currency swaps	AUD 100m	Derivatives	–	(2)	(2)
Cross-currency swaps	AUD 150m	Derivatives	–	(6)	(6)
Cross-currency swaps	AUD 125m	Derivatives	–	(13)	(13)
Cross-currency swaps	NOK 1b	Derivatives	–	(19)	(19)
			11	**(67)**	**(56)**

AS AT 30 JUNE 2024	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGING INSTRUMENT ASSETS $M	CARRYING AMOUNT OF THE HEDGING INSTRUMENT LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS $M
Cash flow hedges					
Interest rate swaps	NZD 1b	Derivatives	25	–	25
Forward foreign exchange contracts	NZD 96m	Derivatives	1	–	1
Fair value hedges					
Interest rate swaps	NZD 425m	Derivatives	–	(10)	(10)
Fair value and cash flow hedges					
Cross-currency swaps	AUD 100m	Derivatives	–	(6)	(6)
Cross-currency swaps	AUD 150m	Derivatives	–	(11)	(11)
Cross-currency swaps	AUD 125m	Derivatives	–	(19)	(19)
Cross-currency swaps	NOK 1b	Derivatives	–	(32)	(32)
			26	**(78)**	**(52)**

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

The details of hedged items are as follows:

AS AT 30 JUNE 2025	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM		ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM		LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS
		ASSETS	LIABILITIES	ASSETS	LIABILITIES	
		$M	$M	$M	$M	$M
Cash flow hedges						
Aggregated variable interest rate exposure	–	–	–	–	–	22
Committed foreign exchange transactions	–	–	–	–	–	4
Fair value hedges						
Domestic Notes	Non-current debt	–	(435)	1	(11)	(10)
Fair value and cash flow hedges						
Australian Medium Term Notes (AUD 100m)	Current debt	–	(105)	3	–	2
Australian Medium Term Notes (AUD 150m)	Non-current debt	–	(160)	1	–	6
Australian Medium Term Notes (AUD 125m)	Non-current debt	–	(123)	12	–	13
Norwegian Medium Term Notes (NOK 1b)	Non-current debt	–	(154)	9	–	19
		–	**(977)**	**26**	**(11)**	**56**

AS AT 30 JUNE 2024	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM		ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM		LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS
		ASSETS	LIABILITIES	ASSETS	LIABILITIES	
		$M	$M	$M	$M	$M
Cash flow hedges						
Aggregated variable interest rate exposure	–	–	–	–	–	(25)
Committed foreign exchange transactions	–	–	–	–	–	(1)
Fair value hedges						
Domestic Notes	Non-current debt	–	(415)	10	–	10
Fair value and cash flow hedges						
Australian Medium Term Notes (AUD 100m)	Non-current debt	–	(102)	8	–	6
Australian Medium Term Notes (AUD 150m)	Non-current debt	–	(156)	7	–	11
Australian Medium Term Notes (AUD 125m)	Non-current debt	–	(116)	21	–	19
Norwegian Medium Term Notes (NOK 1b)	Non-current debt	–	(142)	12	–	32
		–	**(931)**	**58**	**–**	**52**

5.2 Financial risk management

a) Market risk

Spark is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates. Spark employs risk management strategies, including the use of derivative financial instruments, to manage these exposures through a Board-approved treasury policy, which provides the framework within which treasury-related activities are conducted.

Spark manages the concentration of exposures using well-defined market and credit risk limits and through timely reporting to senior management. All contracts have been entered into with high-credit quality financial institutions. The risk associated with these transactions is that the fair value or cash flows of financial instruments will change due to movements in market rates or, in the case of default by a counterparty, through the cost of replacement at the current market rates.

Currency risk

Nature of the risk

Currency risk is the risk that eventual New Zealand dollar net cash flows from transactions undertaken by Spark will be adversely affected by changes in foreign currency exchange rates.

Exposure and risk management

Spark's total net exposure (from non-derivative financial instruments) to foreign currency as at 30 June 2025 is $578 million (30 June 2024: $565 million). This includes $163 million long-term debt principal denominated in NOK (30 June 2024: $154 million) and $405 million long-term debt principal denominated in AUD (30 June 2024: $411 million). The remaining exposure is primarily trade payables and other receivables denominated in United States dollars (USD).

Spark manages currency risk arising from foreign currency debt through hedging. Spark's long-term debt issued in NOK and AUD is fully hedged using cross-currency interest rate swaps to convert foreign currency cashflows into floating-rate New Zealand dollar exposures.

Currency risk from capital and operational expenditure in foreign currencies (and related trade payables) has been substantially hedged by entering into forward exchange contracts.

Sensitivity to foreign currency movements

As at 30 June 2025, a movement of 10% in the New Zealand dollar would (after hedging) impact the statement of profit or loss by less than $2 million (30 June 2024: less than $1 million) and the statement of changes in equity by $9 million to $15 million (30 June 2024: $8 million to $13 million). This analysis assumes a movement in the New Zealand dollar across all currencies and only includes the effect of foreign exchange movements on monetary financial instruments.

Interest rate risk

Nature of the risk

Interest rate risk is the risk that fluctuations in interest rates impact Spark's cash flows, financial performance or the fair value of its holdings of financial instruments.

Exposure and risk management

Spark is exposed to interest rate risk from its financing activities, which primarily include loans and debt issuance either at fixed or floating rates. For floating-rate exposures Spark employs the use of derivative financial instruments to reduce its exposure to fluctuations in interest rates, with the objective to minimise the cost of net borrowings and to minimise the impact of interest rate movements on interest expense and net earnings.

Cross-currency interest rate swaps are used to convert foreign currency debt into floating-rate New Zealand dollar exposures. Interest rate swaps are used to convert floating-rate exposures into fixed-rate exposures and vice versa. As a result, Spark's interest rate exposure is limited to New Zealand only.

Sensitivity to interest rate movements

As at 30 June 2025, a movement in interest rates of 25 basis points would (after hedging) impact the statement of profit or loss by less than $1 million (30 June 2024: less than $1 million) and the statement of changes in equity by $4 million to $5 million (30 June 2024: $4 million to $5 million).

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.2 Financial risk management (continued)

b) Credit risk

Nature of the risk

Credit risk arises in the normal course of Spark's business on cash, receivables and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management

Spark is exposed to credit risk if customers and counterparties fail to make payments in respect of:

- Payment of trade and other receivables as they fall due; and
- Contractual cash flows of derivative assets held at fair value.

Spark's assets subject to credit risk as at 30 June 2025 were $1,158 million (30 June 2024: $1,314 million).

Spark considers the probability of default upon initial recognition of cash, receivables and derivative assets and whether there has been a significant and ongoing increase in credit risk at the end of each reporting period. To assess this, Spark compares the risk of default occurring on these assets at the reporting date, with the risk of default at the date of initial recognition. Available, reasonable and supportive forward-looking information is considered, especially the following indicators:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer or counterparty's ability to meet their obligations; and
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Spark considers a financial asset to have low credit risk when the asset is held with a high-credit quality financial institution or with a party that has a strong financial position with no past due amounts.

Spark manages its exposure using a credit policy that includes limits on exposures with significant counterparties that have been set and approved by the Board and are monitored on a regular basis. Spark places its cash and derivative financial instruments with high-credit quality financial institutions and does not have significant concentration of risk with any single financial institution. Spark has finance lease receivables which are deemed low credit risk. Concentration of credit risk for trade and other receivables is limited because of Spark's large customer base.

Spark has certain derivatives and debt arrangements that are subject to bilateral credit support agreements that require Spark or its counterparties to post collateral funds to support the value of certain derivatives subject to certain agreed threshold amounts. As at 30 June 2025, no collateral was posted (30 June 2024: nil). Letters of credit and guarantees may be held over some receivable amounts. The carrying amounts of financial assets represent the maximum credit exposure.

c) Liquidity risk

Nature of the risk

Liquidity risk represents Spark's ability to meet its contractual obligations as they fall due.

Exposure and risk management

Spark uses cash, debt and derivative financial instruments to manage liquidity and evaluates its liquidity requirements on an ongoing basis. In general, Spark generates sufficient cash flows from its operating activities to meet its financial liabilities. As at 30 June 2025, Spark had current assets of $1,438 million and current liabilities of $1,066 million (30 June 2024: current assets of $1,070 million and current liabilities of $1,060 million). Positive operating cash flows enable working capital to be managed to meet short-term liabilities as they fall due.

In the event of any shortfalls Spark has the following financing programmes:

- An undrawn committed standby facility of $200 million with a number of creditworthy banks (30 June 2024: $200 million).
- Committed bank facilities of $425 million with $195 million drawn as at 30 June 2025 (30 June 2024: $525 million facilities with $310 million drawn).
- Undrawn committed bank overdraft facilities of $15 million with New Zealand banks (30 June 2024: $15 million).

There are no compensating balance requirements associated with these facilities.

Spark's liquidity policy is to maintain unutilised committed facilities of at least 110% of the next 12 months' forecast peak net funding requirements, including coverage for short-term capital market issues and uncommitted facilities. Spark's funding policy requires that no more than 30% of long-term debt (including undrawn and standby facilities) can mature within the next 12 months, which has been met.

5.2 Financial risk management (continued)

c) Liquidity risk (continued)

Maturity analysis

The following table provides an analysis of Spark's remaining contractual cash flows relating to financial liabilities. Contractual cash flows include contractual undiscounted principal and interest payments.

AS AT 30 JUNE 2025	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	321	321	321	–	–	–	–
Sale and leaseback liabilities	49	53	17	14	12	10	–
Lease liabilities	867	1,170	77	72	134	319	568
Debt	1,482	1,667	382	148	182	768	187
Derivative financial liabilities							
Interest rate swaps (net settled)	23	13	3	3	4	3	–
Cross-currency interest rate swaps (gross settled)							
Inflows	–	(623)	(6)	(119)	(15)	(483)	–
Outflows	40	663	14	120	23	506	–
Forward exchange contracts (gross settled)							
Inflows	–	(97)	(74)	(13)	(10)	–	–
Outflows	4	101	76	13	12	–	–
	2,786	**3,268**	**810**	**238**	**342**	**1,123**	**755**

AS AT 30 JUNE 2024	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	299	299	299	–	–	–	–
Sale and leaseback liabilities	60	66	19	15	23	9	–
Lease liabilities	742	1,025	65	63	118	283	496
Debt	1,619	1,911	554	42	185	666	464
Derivative financial liabilities							
Interest rate swaps (net settled)	10	(10)	(5)	(3)	(1)	(1)	–
Cross-currency interest rate swaps (gross settled)							
Inflows	–	(636)	(6)	(11)	(126)	(353)	(140)
Outflows	68	717	21	19	142	395	140
Forward exchange contracts (gross settled)							
Inflows	–	(11)	(11)	–	–	–	–
Outflows	–	11	11	–	–	–	–
	2,798	**3,372**	**947**	**125**	**341**	**999**	**960**

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

Section 6 Other information

6.1 Income tax

Income tax expense

The income tax expense is determined as follows:

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Statement of profit or loss and other comprehensive income		
Current income tax		
Current year income tax expense (excluding adjusting items)	(90)	(146)
Current year income tax expense on adjusting items[1]	15	–
Adjustments in respect of prior periods	(2)	(10)
Deferred income tax		
Depreciation, provisions, accruals, tax losses and other adjustments (excluding adjusting items)	(15)	(42)
Adjustments in respect of prior periods	(3)	2
Income tax expense from continuing operations recognised in the statement of profit or loss and other comprehensive income	**(95)**	**(196)**

1. This is the tax effect of the $53 million of transformation costs associated with Spark's SPK-26 Operate Programme.

Reconciliation of income tax expense

YEAR ENDED 30 JUNE	2025 $M	2024 $M
Net earnings before income tax from continuing operations	347	507
Tax at current rate of 28%	(97)	(142)
Adjustments to taxation		
Non-assessable gains on sale[1]	20	–
Other non-assessable items	(4)	(11)
Tax effects of non-New Zealand profits	(9)	(9)
Tax effects of tax depreciation on buildings	–	(26)
Adjustments in respect of prior periods	(5)	(8)
Total income tax expense from continuing operations[2]	**(95)**	**(196)**

1. FY25 includes the tax effect of the $71 million net gain on sale of investment in Connexa.
2. Incudes the tax effect of the net gain on sale of Connexa and transformation costs included in net earnings before tax from continuing operations. The total tax expense on an adjusted (non-GAAP) basis for FY25 was $113 million (FY24: nil).

6.1 Income tax (continued)

Investment Boost

As part of its 2025 Budget, the New Zealand Government announced the Investment Boost incentive, designed to encourage investment in new business assets by providing an immediate 20% deduction of the cost of new depreciable assets, including commercial buildings that are acquired or that become available for use (for the first time) in New Zealand from 22 May 2025. It is an optional incentive with limited exclusions that applies alongside the existing tax depreciation regime. The incentive is expected to accelerate Spark's tax deductions on eligible expenditure from FY26.

Pillar Two legislation

As a large multinational enterprise (MNE) with annual revenue in excess of €750 million, Spark is within the scope of the OECD Pillar Two initiative (Pillar Two) and the associated Global Anti-Base Erosion (GloBE) rules that enforce Pillar Two. Spark has performed an assessment of its potential exposure to GloBE top-up taxes utilising the GloBE temporary safe harbour thresholds (Safe Harbour) and has concluded there is no material impact on its consolidated financial position as at 30 June 2025 (FY25). This position is expected to remain through to FY28, being the current duration of the Safe Harbour period. Spark's related FY25 GloBE reporting obligations (related to Australia and the United Kingdom) are not due until 31 December 2026.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset in the statement of financial position and presented as a net deferred tax asset. The movements in the deferred tax assets and liabilities are provided below:

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2024	(88)	106	11	(12)	17
Amounts recognised in the statement of profit or loss and other comprehensive income					
Relating to the current period	–	2	(3)	(14)	(15)
Adjustments in respect of prior periods	(2)	(6)	2	3	(3)
Amounts recognised in equity relating to the current year	–	–	–	12	12
Closing balance as at 30 June 2025	**(90)**	**102**	**10**	**(11)**	**11**

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2023	(62)	123	21	(27)	55
Amounts recognised in statement of profit or loss and other comprehensive income					
Relating to the current period	(26)	(16)	(16)	16	(42)
Adjustments in respect of prior periods	–	(1)	6	(3)	2
Amounts recognised in equity relating to the current year	–	–	–	2	2
Closing balance as at 30 June 2024	**(88)**	**106**	**11**	**(12)**	**17**

Spark has not recognised the tax effect of accumulated unrestricted losses and temporary differences amounting to AU$461 million at 30 June 2025 based on the relevant corporation tax rate of Australia (30 June 2024: AU$461 million). These losses and temporary differences may be available to be carried forward to offset against future taxable income. However, utilisation is contingent on the production of taxable profits over a significant period of time and is subject to compliance with the relevant taxation authority requirements.

Spark has a negative 53 million imputation credit account balance as at 30 June 2025 due to the timing of dividend and tax payments (30 June 2024: negative 67 million). The imputation credit account had a positive balance as at 31 March 2025.

Spark has a $114 million taxation recoverable at 30 June 2025 (30 June 2024: $6 million). This reflects higher provisional tax payments (including for imputation credit account purposes) and lower than expected taxable earnings in the period to offset those payments.

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.2 Employee share schemes

Spark operates a share-based compensation plan that is equity settled as outlined below.

Share option scheme

From September 2019, members of the Leadership Squad (including the CEO) and selected senior leaders have been granted options under the Spark Long-Term Incentive (LTI) scheme. Under the scheme participants are granted options at the start of the three-year vesting period. The number of options granted equals the gross LTI value divided by the volume weighted average price of Spark New Zealand shares for the 20 days prior to the grant date. Subject to satisfaction of the performance hurdle and continued employment, at vesting each option converts to a Spark share based on a zero exercise price. If the target is not met (or the participant leaves Spark employment) then the options simply lapse, with exceptions for redundancy, death and disablement. Spark enables participants to meet tax obligations through PAYE by authorising the sale of a sufficient number of shares on their behalf.

Vesting of the LTI grants are contingent on participants' continued employment with Spark for three years from grant date (subject to exceptions) and the Company achieving the specified performance hurdles. The performance hurdle targets are set annually and for grant issued in 2021 this was the Company's cost of equity plus 1% compounding annually. For grants issued in 2022, 2023, and 2024, 75% of the allocated shares will vest based on the performance hurdle target of the Company's cost of equity plus 1.5% compounding annually and 25% will vest based on performance against environmental and diversity targets. Options with an intrinsic value of $8 million (30 June 2024: $13 million) remain outstanding at 30 June 2025 and have a weighted average remaining life of 1.4 years (30 June 2024: 1.3 years).

Information regarding options awarded under this scheme is as follows:

	2025 OPTIONS NUMBER OF OPTIONS	2024 OPTIONS NUMBER OF OPTIONS
Opening balance as at 1 July	3,220,983	2,926,064
Granted	1,738,184	1,313,428
Vested	(14,119)	–
Lapsed	(1,596,720)	(1,018,509)
Closing balance as at 30 June	**3,348,328**	**3,220,983**
Percentage of total ordinary shares	0.18%	0.18%

The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense, with a corresponding entry in equity. The total charge recognised for this scheme for the year ended 30 June 2025 was $1.5 million (30 June 2024: $1.6 million). As at 30 June 2025, $2.1 million of share scheme awards remain unvested and not expensed (30 June 2024: $2.5 million). This expense, measured at its fair value based on a valuation model, will be recognised over the remaining vesting period of the awards. On 21 September 2024, the options granted in September 2021 lapsed.

The grants issued in 2022 were not exercised and lapsed in FY25 with the exception of 14,119 options which vested in accordance with the scheme rules following the disposal of a subsidiary company. The weighted average share price at the date of exercise for share options during the period was $2.81. The aggregate of the estimated fair values of the options granted in September 2024 is $2 million (options granted in September 2023: $2 million).

6.3 Related party transactions

Related parties of Spark include the associate and joint venture companies listed in note 3.3 and key management personnel detailed below.

Interest of directors in certain transactions

A number of the Company's directors are also directors of other companies and any transactions undertaken with these entities have been entered into on a commercial basis.

Transactions with associate and joint venture companies

Spark's FY25 and FY24 transactions with associates and joint ventures are on normal commercial terms and include the following:

- Spark provided network operations and management services to Southern Cross in respect of its operations in New Zealand
- Spark made payments to Southern Cross in connection with capacity it has purchased on Southern Cross' network
- Spark made payments to Southern Cross for operational expenditure relating to cable maintenance
- Southern Cross returned capital to Spark through a capital reduction and in FY24 fully repaid the shareholder loan
- During FY24, Spark made payments to Adroit Holdings Limited for operational expenditure relating to environmental IoT services and hardware and received payments for IoT warehousing until the full acquisition of the entity on 19 October 2023
- Spark received revenue from Rural Connectivity Group for the sale of mobile backhaul equipment
- Spark made payments to Rural Connectivity Group for its share of the joint venture's operating costs
- Spark received payments from Hourua Limited for milestones delivered for the Public Safety Network and for use of Spark's corporate office space
- Spark made payments to Connexa for access to mobile towers, this includes lease and operating charges. Spark also received payments from Connexa for transition services, rental recovery, maintenance, site build and interest on shareholder loans until the sale of investment on 28 February 2025.

The outstanding balances are unsecured and there have been no guarantees provided or received.

Balances and amounts in respect of these transactions with associate and joint venture companies excluding Connexa are set out in the table below:

AS AT AND FOR THE YEAR ENDED 30 JUNE	2025 $M	2024 $M
Revenues	11	18
Expenses	(7)	(11)
Capacity acquired and other capital expenditure[1]	(9)	(10)
Receivables	1	3
Payables	(5)	–

1. As at 30 June 2025, Spark has committed to purchases of $19 million for cable capacity from Southern Cross (30 June 2024: $22 million).

Given the significant nature of the balances and transactions with Connexa until 28 February 2025, these are separately disclosed below:

AS AT AND FOR THE YEAR ENDED 30 JUNE	2025 $M	2024 $M
Revenues[1]	21	28
Expenses	(11)	(15)
Receivables[2]	–	172
Lease liabilities[3]	–	(447)
Revenue billed in advance	–	(4)

1. Including interest income on shareholder loans.
2. In the comparatives, receivables include shareholder loans to Connexa, including one non-interest bearing loan, and one interest bearing loan set at a market rate at the time of drawdown.
3. Related party lease liabilities have an initial term of 15 years with options for right of renewal which have not been included in the measurement of the lease liability. Payments made for related party lease liabilities in the year until the sale date were $33 million (30 June 2024: $47 million).

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.3 Related party transactions (continued)

Key management personnel compensation

YEAR ENDED 30 JUNE	2025 $'000	2024 $'000
Directors' remuneration[1]	1,371	1,371
Salary and other short-term benefits	5,911	6,363
KiwiSaver	157	212
Share-based compensation	814	784
	8,253	**8,730**

1. Excludes Chief Executive remuneration.

The table above includes remuneration of the Chief Executive and the other members of the Leadership Squad, including amounts paid to members of the Leadership Squad who left during the year ended 30 June or were in acting Leadership Squad positions. Like other Spark employees, members of the Leadership Squad also receive product and service concessions. In addition, where members of the Leadership Squad are KiwiSaver members, they receive contributions towards their KiwiSaver schemes.

6.4 Subsidiaries

Subsidiaries are all entities over which Spark has control. The significant subsidiary companies of Spark and their activities are as follows:

NAME	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Computer Concepts Limited	New Zealand	100%	IT infrastructure and cloud services
Entelar Group Limited	New Zealand	100%	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services
Gen-i Australia Pty Limited	Australia[1]	100%	Provides international wholesale and outsourced telecommunications services
MATTR Limited	New Zealand	98%	Software company focused on decentralised identity and verifiable data
Qrious Limited	New Zealand	100%	Data analytics business
Revera Limited	New Zealand	100%	IT infrastructure and data centre provider
Spark Finance Limited	New Zealand	100%	A Group finance company
Spark New Zealand Trading Limited	New Zealand	100%	Telecommunications and digital services company
TCNZ (Bermuda) Limited	New Zealand	100%	A holding company
Teleco Insurance Limited	Bermuda[1]	100%	A Group insurance company
Telecom New Zealand USA Limited	United States[1]	100%	Provides international wholesale telecommunications services
Telecom Southern Cross Limited	New Zealand	100%	A holding company

1. These foreign incorporated entities are tax resident in New Zealand.

Digital Island Limited was sold on 28 February 2025, excluding its mobile services business which was transferred to Spark.

The financial year end of all significant subsidiaries is 30 June.

6.5 Reconciliation of net earnings to net cash flows from operating activities

YEAR ENDED 30 JUNE	NOTES	2025 $M	2024 $M
Net earnings for the year		260	316
Adjustments to reconcile net earnings to net cash flows from operating activities			
Depreciation and amortisation	1.5, 2.4	604	527
Bad and doubtful accounts	3.1	22	17
Deferred income tax		18	38
Share of associates' and joint ventures' net losses	2.4, 3.3	6	17
Interest income on loans receivable from associates and joint ventures	2.4	(8)	(12)
Impairment of investments	2.4	–	2
Net disposal and remeasurement of equity-accounted investments	2.4	–	1
Net gain on sale and acquisition of property, plant and equipment and intangible assets	2.2	(8)	(62)
Net gain on lease modifications and terminations	2.2	(24)	(36)
Net gain on sale of Connexa investment	1.4, 2.2	(71)	–
Net loss/(gain) on sale of long-term businesses	2.2	1	(4)
Other		5	13
Changes in assets and liabilities net of effects of non-cash and investing and financing activities			
Movement in receivables and related items		13	(84)
Movement in inventories		6	(8)
Movement in current taxation		(108)	(31)
Movement in payables and related items		(36)	70
Net cash flows from operating activities		**680**	**764**

6.6 Commitments and contingencies

Capital and other commitments

As at 30 June 2025, capital expenditure contracted for, but not yet incurred, was $821 million (30 June 2024: $684 million) with $323 million due in the year ending 30 June 2026. Commitments principally relate to telecommunications network equipment, data centre infrastructure and cable capacity.

As at 30 June 2025, Spark had other supplier commitments of $1,361 million (30 June 2024: $879 million), with $569 million due in the year ending 30 June 2026. Commitments include mobile handsets, subscription services, modems, licences, service and maintenance renewals, technology delivery partnerships, and power purchase agreements.

Contingencies

No ongoing claims, investigations or inquiries are expected to have a significant effect on Spark's financial position or profitability.

Deloitte.

Independent auditor's report

To the Shareholders of Spark New Zealand Limited

Opinion

We have audited the consolidated financial statements of Spark New Zealand Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 73 to 119, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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.

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)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for Spark New Zealand Limited in relation to regulatory audit requirements, other assurance related services (such as trustee reporting, Greenhouse Gas Emissions limited assurance and agreed upon procedures in relation to the sustainability linked loans) and non-assurance services (such as HR Business Partner training programme, CPO Vantage Programme, CFO Vantage Programme as well as administrative and other advisory services provided to the Corporate Taxpayers Group, of which the Group is a member). These services have not impaired our independence as auditor of the Company and Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Group and its subsidiaries, and this matter has not impacted our independence. Also, the firm, its partners and employees deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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 period. 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.

Key audit matter	How our audit addressed the key audit matter

Revenue recognition

The Group recognised total revenues excluding other gains of $3,623m (2024: $3,718m) including:

- Mobile $1,453m (2024: $1,474m)
- Broadband $608m (2024: $613m)
- Procurement and partners $538m (2024: $548m)
- Voice $150m (2024: $180m)
- IT products $522m (2024: $528m)
- IT services $144m (2024: $156m)
- High-tech $84m (2024: $79m)
- Other products $124m (2024: $140m)

Revenue recognition is considered to be a key audit matter.

For Mobile and Broadband revenue, and to a lesser extent other revenue streams, there is an inherent risk around the accuracy and occurrence of revenue recognition given the complexity of systems and the large volume of data processed; moreover, judgement is required for multiple element arrangements. This risk is most pronounced for new or changing product plans and prices.

IT products and IT services require significant management judgements and estimates, particularly for larger contracts, which are bespoke and cover several accounting periods.

The judgements and estimates that significantly impact the accuracy of revenue recognition for these contracts include:

- identifying the separate performance obligations;
- assessing whether the performance obligations are satisfied at a point in time or over time; and
- determining the amount and appropriate method of measuring the costs of fulfilling the performance obligations or, where appropriate, the completeness and valuation of provisions against contracts that are expected to be loss-making.

Disclosures relating to revenue recognition and the revenue stream breakdown can be found in Note 2.2. Operating revenues and other gains.

Our audit approach included both controls testing and substantive procedures. For our procedures on the design and operating effectiveness of controls over significant IT systems, we involved our IT specialists.

Our audit procedures included:

Across **Mobile, Voice and Broadband**, and **IT products and IT services** revenue streams:

- Assessing the appropriateness of the revenue recognition policies for the products and services offered by the Group, which included but were not limited to:
  - challenging the Group's assessment for each performance obligation about whether the customer can benefit from the product or service on its own or together with readily available resources;
  - assessing the allocation of the transaction price to the performance obligations by comparing the stand-alone selling price assigned to observed market prices or estimated prices; and
  - examining the stages at which revenue for each performance obligation is recognised.

Mobile, Voice and Broadband:

- testing the design and implementation, and the operating effectiveness of automated controls and interfaces between relevant IT applications, measurement and billing of revenue, and the recording of entries in the general ledger. We also tested the access controls and change management controls over the relevant billing systems;
- testing the design and implementation, and the operating effectiveness of manual controls over the initiation, authorisation, recording and processing of revenue transactions. This included evaluating process controls over authorising new price plans and rate changes and the adjustments to the relevant billing systems;
- testing the design and implementation of revenue recognition controls, including rating and billing during the year as it relates to new or changing product plans;
- recalculating revenue recognised to evaluate that the processing by the relevant telecommunication system is materially correct;
- reviewing new product plans in the current year to understand each of the performance obligations in the bundled offering;
- for new product plans that provide a bundle of services, assessing whether the customer can benefit from the product or service on its own or together with readily available resources; and
- assessing the recognition and timing of costs to acquire and costs to fulfil customer contracts.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
	IT products and IT services: • testing IT products and IT services contracts for appropriate revenue recognition and provisioning for contracts that were expected to be loss-making. We considered the future forecast profitability and the contractual terms to assess the recoverability of the contract-specific assets and to determine whether any contracts required loss provisions; and • testing a sample of revenue transactions recorded during the year by agreeing to supporting evidence, which included cash receipts, customer contracts, and invoices. We focussed our work on contracts which we regarded as higher risk because of the nature of the contract and the stage of delivery.

Carrying value of property, plant & equipment and intangible assets excluding goodwill
The Group has property, plant & equipment of $1,184m (2024: $1,394m) and intangible assets excluding goodwill of $574m (2024: $607m).
There are a number of areas where judgements significantly impact the carrying value of property, plant & equipment and intangible assets excluding goodwill, and their respective depreciation and amortisation profiles. These areas are as follows:
• the impact of planned or unexpected replacement technology which will impact the way in which an asset is used or is expected to be used;
• the determination whether to capitalise or expense costs, particularly for capitalised labour;
• the useful economic life of the asset; and
• the timely transfer and commencement of depreciation of assets transferred from work in progress.
Changes in these judgements may have a significant impact on the results of the Group. Due to the significance of these judgements and the materiality of these assets to the Group's Statement of Financial Position, this is considered a key audit matter.
Refer to Notes 3.6 Property, plant and equipment and 3.7 Intangible assets.
	Our audit procedures included the following:
	• testing of the design and implementation of controls over the acquisition and disposal of assets;
	• assessing the appropriateness of capitalisation of costs incurred on capital projects, by examining a sample of additions to identify whether the expenditure meets the definition of an asset in accordance with the applicable accounting standards;
	• assessing the reasonableness of the internal labour rates used to capitalise internal labour;
	• assessing the appropriateness of the date from which assets commenced being depreciated;
	• assessing the application of the Group's annual asset life review. This included assessing judgements made by the Group on:
	  • the appropriateness of asset lives applied in the calculation of depreciation and amortisation;
	  • the nature and impact of changes on the business from Spark's strategy, including which specific assets are impacted; and
	  • the extent of the impact of these changes on the carrying value of identified property, plant and equipment and software intangible assets.
	• assessing the allocated useful economic lives, by comparing to industry benchmarks and our knowledge of the business and its operations; and
	• reviewing Board minutes and performing enquiries with various management personnel around the prevailing risks of technological obsolescence and assessing their impact on the useful lives/impairment risk of existing assets.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report as well as the Climate-related Disclosures Report FY25.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, 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 on behalf of the Group 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 and ISAs (NZ) 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Jason Stachurski, Partner for Deloitte Limited

Auckland, New Zealand

20 August 2025

This audit report relates to the consolidated financial statements of Spark New Zealand Limited (the 'Company') for the year ended 30 June 2025 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 30 June 2025 to confirm the information included in the audited consolidated financial statements presented on this website.

Appendix

Spark's managing risk framework roles and responsibilities

Activity performed	Board & ARMC	Leadership Squad	Risk	Legal (Digital Trust)	Org Unit Leads	Centre of Excellence leads	Policy owners	All Spark people
Approves Spark's strategy	✔							
Approves the Managing Risk Policy	✔							
Monitors the managing risk framework	✔							
Reviews principal risk dashboard (quarterly)	✔							
Performs other items from its charter	✔							
Prepares strategy and annual plan		✔						
QBR process and next 90-day priorities		✔						
Coaches and guides Leads		✔						
Owner for principal risks		✔						
Designs and continuously improves the managing risk framework			✔					
Helps the business apply the framework			✔					
Profiles the principal and next 90-day risks for LS and ARMC			✔					
Helps Leads to capture their risks for the QBR Memo			✔					
Executes Internal Audit plan (objective assurance)			✔					
Designs and continuously improves the empowerment framework				✔				
Creates empowerment & functional guidance kits				✔				
Oversees essential policies and webpage				✔				
Creates and delivers training modules				✔				
Use the Empowerment and Managing Risk Frameworks					✔			
Understand and adhere with the essential policies					✔			
Maintain view of risks for OKRs and fill in QBR Memo					✔			
Provide input into principal risk process					✔			
Escalate risks to LS or Risk Team (if required)					✔			
Review risk sections in QBR packs across Spark						✔		
Maintain view of risks for their OKRs and fill in QBR						✔		
Support Leads to manage identified risks						✔		
Provide input into principal risks						✔		
Maintain policy and guidance material							✔	
Complete assessments of effectiveness							✔	
Participate in policy owner working groups							✔	
Follow this framework and the essential policies								✔
Make informed decisions after assessing the benefits and risks								✔

Sustainability appendix

As an integrated report we have included disclosure on our ESG performance throughout this report. Pages 10 and 11 detail our integrated reporting value creation model, aligned to the 'capitals' which each align to individual sections in the report.

This report is prepared in accordance with the International <IR> Framework and with the Global Reporting Initiative (GRI) Core Option.

We publish a summary of our approach to sustainability at Spark on our website. https://www.spark.co.nz/sustainability/

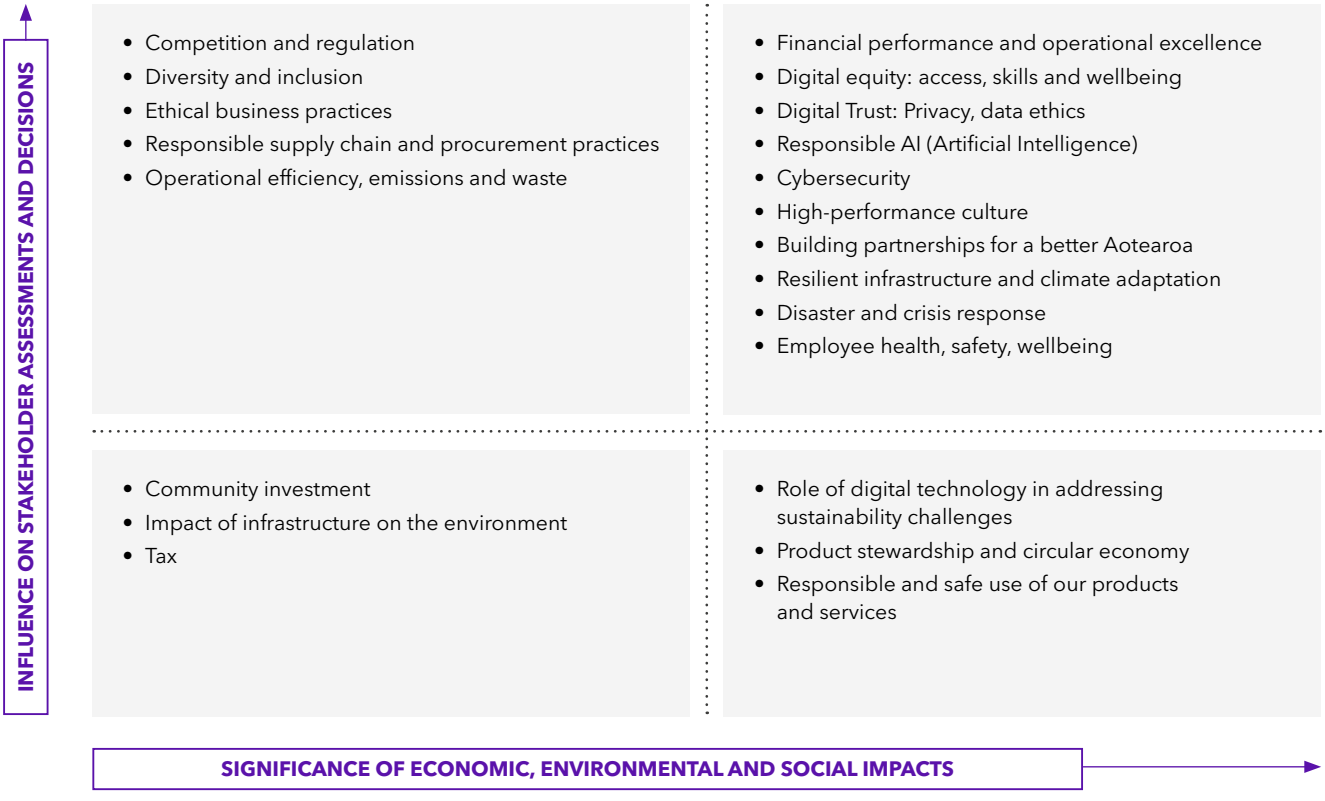
Materiality

At Spark we follow the GRI materiality principle and processes (set out in *GRI 3: Material Topics 2021*) to identify and prioritise topics that substantively influence the assessments and decisions of stakeholders or have a significant environmental, social, or economic impact. We also consider the materiality principles of the Integrated Reporting International <IR> Framework, considering whether a matter could substantively affect Spark's ability to create value in the short, medium, or long term.

We refresh our materiality analysis annually, as part of our integrated reporting process. Our assessment of material topics includes analysis of stakeholder feedback, review of international industry peers and sector research, and engagement with external stakeholders. In previous years we have also engaged an external sustainability consultancy to independently review our materiality prioritisation. Internally, we consult with a range of employees, including members of our strategy, finance, community, corporate relations, risk, legal, and HR teams, to determine Spark's view of topics meeting the GRI materiality principle criteria.

The purpose of our annual materiality review is to ensure we are capturing all topics that are material to our stakeholders, with a particular focus on identifying emerging topics. We have updated our materiality matrix for FY25. This reflects feedback from various stakeholders, which has highlighted the increasing importance of data ethics, including data governance and sovereignty, with the increased profile and application of AI technologies. In the previous year, changes included increasing the importance of disaster crisis response and the role of digital technology in addressing sustainability challenges.

Our materiality matrix maps our material topics, with our assessment of the significance of economic, environmental and social impacts mapped on the horizontal 'x' axis, and the scale of influence on stakeholder assessments and decisions mapped on the 'y' vertical axis, reflecting feedback and questions received from stakeholders related to our ESG reporting.



Our most material sustainability issues

Topic	Topic description and scope	Reference
Resilient infrastructure and climate adaptation	The resilience of our infrastructure. Our long-term adaptation to climate change.	Our network and technology Pages 28 – 31 –Refer to Climate-related Disclosures Report
Employee health, safety, wellbeing	Providing a safe and healthy working environment, including physical and mental wellbeing, and supporting people and teams impacted by organisational change.	Our people Pages 40 – 45
Cyber security	The security of our networks and products and the security support we provide to our business customers.	Our customers Pages 24 – 27
Digital trust: privacy, data ethics	How we collect, use, store, and share personal information and how we keep it safe. Building trust in our products and services.	Our customers Pages 24 – 27
Responsible AI	Ethical and responsible use of AI, including AI governance.	Our customers Pages 24 – 27
Digital equity: access, skills, wellbeing	This includes digital access and removing barriers to people getting connected; digital skills and career pathways into the technology sector; and digital safety and wellbeing – a broad focus area that ranges from the impacts of social media all the way through to protecting our customers from objectionable content and scams.	Our communities Pages 36 – 39
Disaster and crisis response	The role of telecommunications in responding to natural disasters and crisis events.	Our network and technology Pages 28 – 31
High performance culture	Creating a high-performance culture that offers our people the opportunity to develop and grow in an inclusive, agile environment.	Our people Pages 40 – 45
Financial performance and operational excellence	Executing our business strategy to build financial capital.	Our performance Pages 16 – 19 Financial statements Pages 71 – 123
Building partnerships for a better Aotearoa	How we partner and collaborate with our communities, guided by the principles of Te Tiriti.	Our communities Pages 36 – 39 Our people Pages 40 – 45

Stakeholder engagement

Spark engages with a broad range of stakeholders as detailed in the table below. We have also engaged a small number of stakeholders specifically for developing and improving our non-financial reporting and as part of our reporting materiality process. In selecting the stakeholders we engage with, we are guided by the definition set out in GRI 101: "entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products or services; or whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives."

Stakeholder group	How we engage
Spark employees	• Regular engagement surveys and use of 'sounding boards' on large programmes of work • Comprehensive programme of internal communications and engagement from Leadership Squad (through roadshows and online channels) • Engagement with cross-section of employees in the preparation of this report
Shareholders	Regular engagement with investors including: • Semi-annual earnings announcements, together with semi-annual post result investor briefings • Annual meeting that allows shareholders a chance to meet and ask questions directly of the Spark Board and Leadership Squad • Regular investor roadshows • Periodic investor strategy briefings
Suppliers	• Ongoing conversations with our suppliers – both informal and formal • Annual supplier ESG survey of high risk / priority suppliers
Customers	• Regular feedback from customers on their experiences with us and their views of Spark as a business through our Net Promotor Score methodology and through our Voice of the Customer programme • Meetings with customers on sustainability topics, sharing sustainability focus areas and exploring opportunities to work together
Government	• Engagement with central Government on issues related to the telecommunications industry, infrastructure investment, environmental sustainability, and digital equity • Engagement with local government to manage the process and impacts of infrastructure investment
Media	• Responding to media enquiries and through a proactive programme of engagement with key members of New Zealand's media
Local communities	• We engage with local communities, iwi, and hapū affected by our activities, in particular where we are building new network infrastructure • Through our Marae Digital Connectivity programme we have deployed hardware and connectivity to over 650 marae, and established relationships with hapū across the country • Through Te Korowai Tupu we have a range of partners that help us support impactful initiatives that uplift Hapori Māori
Community partners	• Spark Foundation works in partnership with community partners on an ongoing basis
Industry organisations	• Engagement with a number of industry organisations, representing the telecommunications and technology sector, community groups, and the New Zealand business community

External initiatives Spark subscribes to or endorses

- Spark is a founding member of the Climate Leaders Coalition (CLC). The CLC is a group of CEOs who have collectively committed to voluntary action on climate change, measuring and publicly reporting on their emissions, and setting an absolute target for reducing emissions in line with the Paris Agreement.
- Spark has committed to a voluntary Product Stewardship scheme for mobile phones, which is actioned by the Re:Mobile initiative. See page 35.
- Spark's Corporate Relations and Sustainability Director Leela Ashford is part of the Ministry for the Environment's Climate Business Advisory Group, and the Department of Internal Affairs' Independent Reference Group, which maintains oversight of the operation of the Digital Child Exploitation Filtering System (DCEFS).

Spark was an active member of the following associations in FY25:

- International Telecommunication Union (Radiocommunication Sector membership)
- 3rd Generation Partnership Project (3GPP)
- Infrastructure New Zealand
- Global System for Mobile Communication Association (GSMA)
- New Zealand Internet Task Force
- Telecommunications Forum (TCF)
- NZTech (including Internet of Things Alliance and AI Industry Forum)
- Tech Users Association New Zealand (TUANZ)
- Business NZ
- Sustainable Business Council (SBC)
- Global Women (including Champions for Change)
- Joint Audit Cooperation (JAC) initiative
- Digital Equity Coalition Aotearoa (DECA) (membership through Spark Foundation)

Glossary

3G	third-generation mobile network as defined by the International Telecommunications Union.
4G	fourth-generation mobile network as defined by the International Telecommunications Union.
5G	fifth-generation mobile network as defined by the International Telecommunications Union.
5G standalone	a network that has a 5G core as well as 5G on mobile towers rather than non-standalone 5G which uses a combination of existing 4G LTE architecture with a 5G radio access network (RAN).
ADR	an American Depositary Receipt.
ARMC	the Audit and Risk Management Committee.
ARPU	average revenue per user.
ASX	the Australian Securities Exchange.
CCL	Computer Concepts Limited.
Company	Spark New Zealand Limited.
EBITDAI	earnings before finance income and expense, income tax, depreciation, amortisation, and net investment income.
GRI	the Global Reporting Initiative.
Group	the Group in relation to these financial statements, which are prepared for Spark New Zealand Limited (the Company) and its subsidiaries (together the Group).
HRCC	the Human Resources and Compensation Committee.
iNPS	interaction net promoter score, a measure of customer satisfaction.
IoT	the internet of things.
IFRS	International Financial Reporting Standards.
LTE	long-term evolution, as known as 4G.
LTI	long-term incentive, which is part of the Spark Leadership Squad and CEO's remuneration.
Millimeter waves	millimeter waves, also known as extremely high frequency (EHF), is a band of radio frequencies that has wavelengths between 1 mm and 10 mm. These frequencies can carry massive amounts of data at very high speeds. That makes them ideal for accommodating the massive increase in data demanded from new 5G use cases such as augmented/virtual reality, cloud gaming, video analytics and other cloud-compute capabilities.
Network slicing	allows the operator to 'slice' its network to support different types of services through each 'slice'. Multiple slices can be tuned independently to meet different quality of service parameters. For example, one slice may simply need a standard speed connection to enable office email, another might be tuned to support very low data Internet of Things devices, while another slice may need high reliability and ultra-low latency to support robotics.
NOMs	the Nominations and Corporate Governance Committee.
NPS	Net Promoter Score.
NZ GAAP	Generally Accepted Accounting Practice in New Zealand.

NZ IAS	New Zealand International Accounting Standard.
NZ IFRS	New Zealand Equivalent to International Financial Reporting Standards.
NZX	NZX Limited.
OTN	Optical Transport Network (OTN) - the high speed backbone of Spark's network, stretching from the Far North to the bottom of the South Island. The OTN uses light signals through optical fibre cables to carry all of Spark's data traffic up and down the country through diverse paths, ensuring resilient, fast connectivity for all users.
PSTN	Public Switched Telephone Network.
QBR	Quarterly Business Review
SME	Small and Medium Enterprise
Southern Cross	Southern Cross Cables group of companies, which consists of two sister companies, Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited and their subsidiaries.
STI	Short-Term Incentive, which is part of Spark Leadership Team and CEO remuneration.
TRIFR	Total Recordable Incident Frequency Rate per million Spark employee hours worked
TSR	Total Shareholder Return and is a measure of share price appreciation and dividends paid over a given period.

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Spark New Zealand FY25 Results Summary

Jolie Hodson, Chief Executive Officer
Stewart Taylor, Chief Financial Officer

20 August 2025

Disclaimer

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FY25 results summary

FY25 result within updated guidance

Stabilising our performance

	FY25 Guidance	FY25 Outcome
Adjusted EBITDAI	$1,040m-$1,100m	$1,060m
Capex	~$415m - $435m	$429m
Dividend	25.0 cps	25.0 cps

Significant transformation on track

Resetting our business and cost base for a stronger future

1. Market momentum in core business
2. Simplified portfolio
3. Transformed cost base
4. Realising value from data centre business

Strategy and capital management reset

Setting a path for sustainable value creation

- New five-year strategy focuses Spark on core business of connectivity
- Revised Capital Management Framework to deliver sustainable dividend paid out of free cash flow

FY25 financial snapshot

Adjusted revenue [1][3]
$3,700 million
4.2% decrease vs. FY24

Adjusted EBITDAI [3][4]
$1,060 million
8.9% decrease vs. FY24

Adjusted NPAT [3]
$227 million
33.6% decrease vs. FY24

Reported revenue [2]
$3,725 million
2.5% decrease vs. FY24

Reported EBITDAI [2][4]
$1,053 million
7.7% decrease vs. FY24

Reported NPAT
$260 million
17.7% decrease vs. FY24

Capex [4]
$429 million
17.2% decrease vs. FY24

Free cash flow [4]
$330 million
Flat vs. FY24

FY25 final dividend
Final dividend of 12.5cps, taking total FY25 dividend to 25.0 cps

Overall return on invested capital ROIC [5] of 8.7%

[1] Operating revenues and other gains
[2] Reported revenue and EBITDAI exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements (see Appendix for further detail).
[3] Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. See Appendix 1 for further details.
[4] Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's Annual Report. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs.
[5] ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity)

Significant transformation on track

We have taken action to transform our business and cost base – with more still to do

What we said we would do	What we've done so far	See slides
Telco core Drive momentum in core business	• Grew consumer and SME pay monthly connections and ARPU (when excluding impact of insurance) • Prepaid connection decline stabilising in H2 25 • Stabilised connections in Enterprise & Government (E&G)	**7-11**
Portfolio Review non-core assets and simplify Enterprise & Government (E&G)	• Divested Connexa and HTAL shareholdings, generating $356 million[1] in proceeds • Integrated B2B subsidiaries into E&G division and simplified portfolios	**12**
Cost base Expand cost-out programme to deliver higher savings over multiple years	• Created new technology delivery model, supported by four global partnerships • Realised $85 million in cost savings in H2 25 vs H2 24 • On track to deliver annualised benefits of $110m-$140m by FY27[2]	**13-15**
Realising value Secure a capital partner for our data centre business	• Sale of 75% stake in data centre business expected to deliver initial cash proceeds of ~$486 million [3] at completion, while retained 25% stake supports long-term shareholder value creation (subject to regulatory and customary consents)	**17-20**

[1] $309 million from Connexa transaction (net of transaction costs), $47 million from HTAL transaction received 17 July 2025

[2] Subject to no material adverse change in operating outlook

[3] Final net proceeds subject to completion adjustments

New five-year strategy

Refocusing on our core connectivity business to grow competitive advantage and shareholder returns

To grow competitive advantage and shareholder returns

Our new strategy:

1. Refocuses Spark on our core business of connectivity - and in particular mobile - from a broader digital services ambition
2. Prioritises capital allocation to our core business, as new data centre partnership provides clarity on development pipeline funding
3. Is grounded in what matters most to our customers - our mobile network and customer experiences
4. Future proofs a scalable cost base through partnerships and AI

This creates

More reasons for customers to join and stay loyal to Spark

A performance driven culture, delivering great customer and people experiences

This will deliver

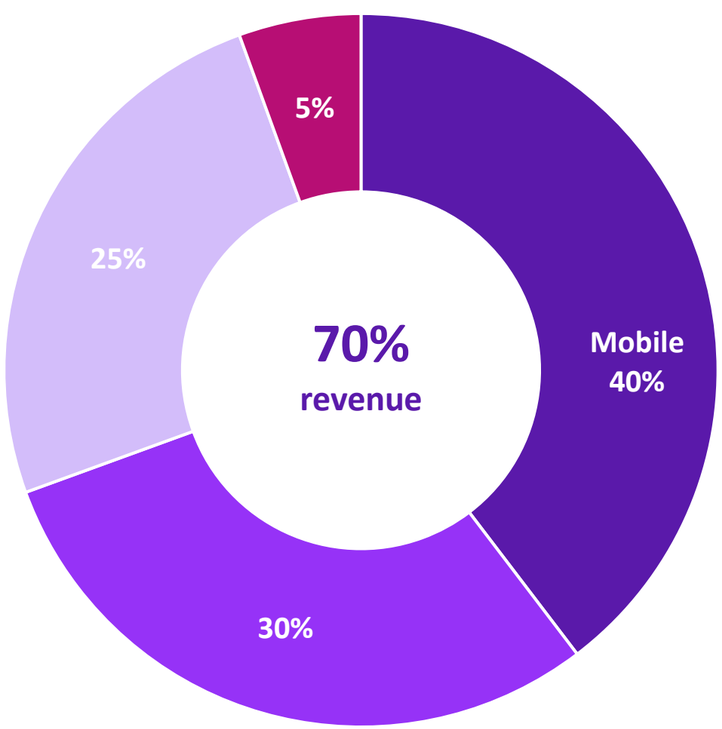
Stable annuity-like returns, with predictable free cash flow and growing dividends over time for our shareholders

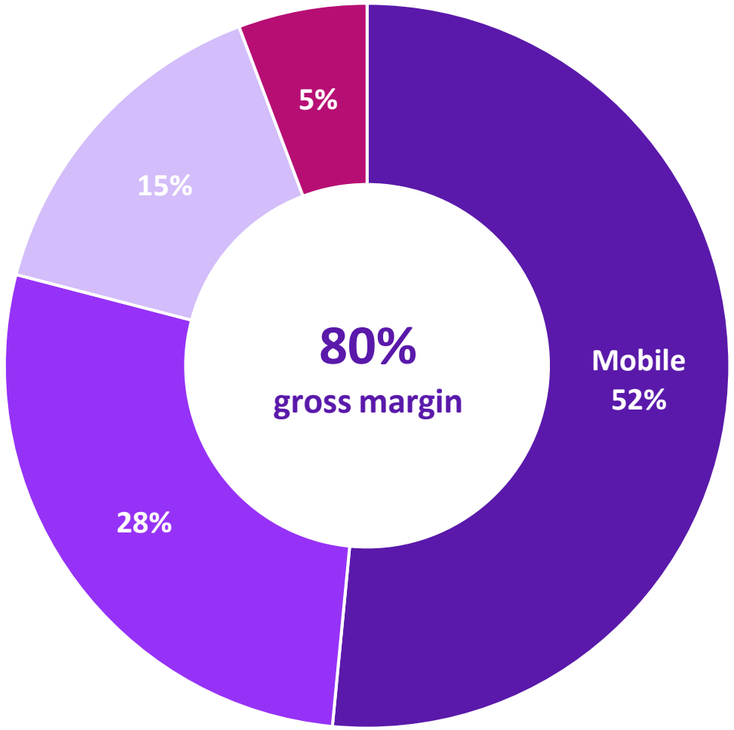
See slides 30-35 for strategy summary

Connectivity is our core business

Mobile and connectivity is central to growth and our priority for investment

In FY25 connectivity contributed:





- Mobile
- Other connectivity[1]
- Cloud and IT
- Data centres

(1) Other connectivity includes broadband, managed data and networks, collaboration, IoT, and voice

Mobile performance overview

Performance impacted by removal of insurance and price competition in E&G and consumer prepaid, while pay monthly remains strong

Consumer and SME Pay Monthly

Increasing ARPU excluding insurance, combined with modest connection growth

- Connection growth reflects balance of competing in market and ARPU optimisation
- Underlying ARPU continues to improve – H2 ARPU up ~3% excluding insurance[1], driven by connection ARPU, handset demand, and December price increases
- Offset by reduction in insurance revenue – impact will not reoccur in FY26

Consumer Prepaid

ARPU grew, connections declined in competitive market

- Spark connection decline in H1 driven by price competition in low-spend environment, while Skinny continues to grow
- December plan refresh and price increases maintained ARPU – with further improved offers creating positive trading momentum

Enterprise & Government (E&G)

Connections stabilised in H2, competitive pressure on ARPU remains

- Connections stabilised in H2 25
- Net positive connections from customer bids in H2 25
- Rate of ARPU reduction slowed in H2 from H1, however competitive market conditions remain

	FY24	FY25	% change
Connections and ARPU – Consumer and SME			
Pay monthly connections	1,193k	1,199k	0.5%
Prepaid connections	1,173k	1,112k	(5.2%)
Pay monthly ARPU	$44.93	$44.68	(0.6%)
Prepaid ARPU	$15.99	$16.10	0.7%
Connections and ARPU – Enterprise and Government			
Connections	324k	318k	(1.9%)
ARPU	$30.44	$26.22	(13.9%)
Mobile Service Revenue			
Total [2]	$1,010m	$987m	(2.3%)
Consumer and SME	$869m	$861m	(0.9%)
Enterprise and Government	$120m	$100m	(16.7%)

[1] Compared to H2 24
[2] Total includes wholesale

Market growth improving and Spark growing in H2

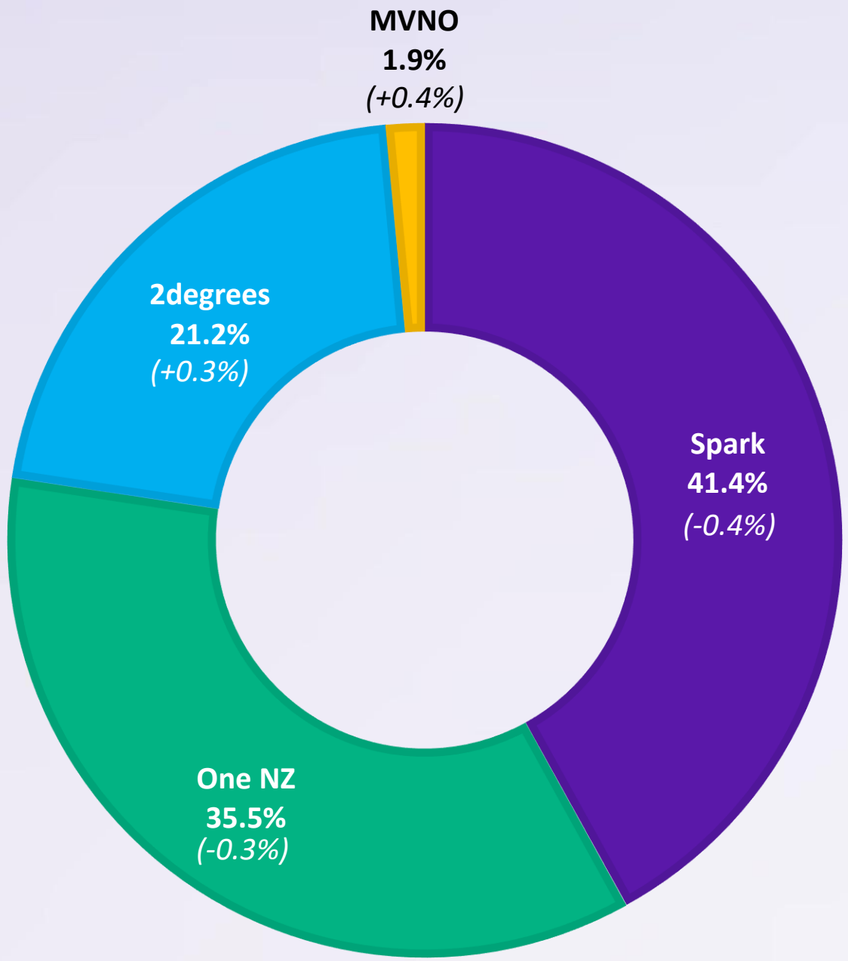
Spark remains the #1 provider by some distance, with positive momentum as market growth improves

Total mobile market performance [1]

- Total FY25 mobile market growth was 1.2%, lower than IDC estimated growth of 3% [2]
- Second half growth of 1.9% an improvement on a flat H1 [3]

Spark mobile and share performance

- Spark's total mobile service revenues grew 1.0% from H1 25 to H2 25 – resulting in a small market share decline of 0.4% over this time
- Positively, Spark's market share stabilised in the fourth quarter, in a growing market



[1] All comparisons are market share estimates sourced from IDC as at 30 June 2025 [2] Comparing FY24 to FY25 [3] Comparing H2 FY25 to H1 FY25

Driving mobile momentum into FY26

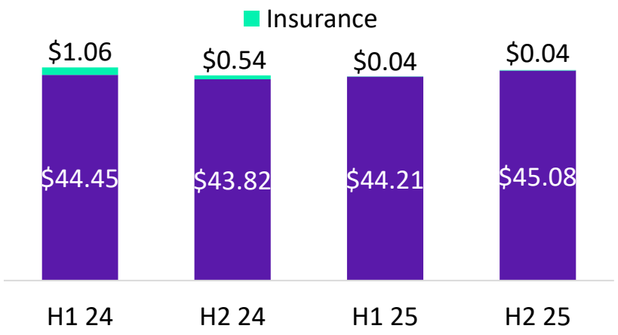
Initiatives implemented in FY25 are lifting performance into FY26 Q1

Consumer Pay Monthly

Focus: driving connection and ARPU growth with brand and product investment

- Pay monthly big data plans – introduced end October, with acquisition up ~7% vs. prior comparable period
- Plan ARPU continues to grow – will be further supported by 1 August ‘25 $2-$5 price increases
- Pipeline of new products – Kids Plan launched, satellite-to-mobile in H2 26

Pay Monthly ARPU

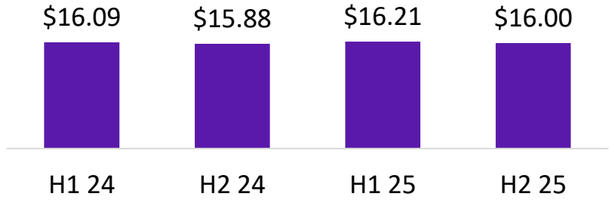


Consumer Prepaid

Focus: maintain stable ARPU, while upweighting competitive responses

- Plan refresh completed in December ‘24 has maintained ARPU
- Connection decline stabilising in H2 25
- Improvement in net connections post the introduction of new market offers

Prepaid ARPU

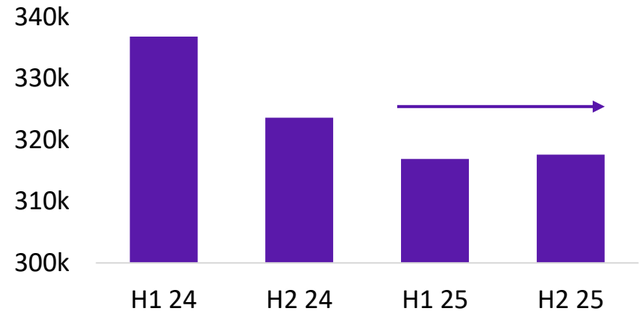


Enterprise and Government

Focus: hold customer base, and compete to win on more than price to mitigate ARPU impact

- Connections rebased with change in Enterprise & Government workforces – decline stabilising in H2
- Retained >95% of top 50 customers
- Won ~7k new connections to be on-boarded in Q1 FY26 – Summerset, Deloitte, New Zealand Red Cross

E&G Connections



Connectivity and IT performance summary

Broadband revenues stabilised, public cloud continued to grow, IT services remained challenging

Connectivity

- Broadband connections declined 3.8% in a low-spend environment – focused on increased bundling with mobile in FY26 to support volumes
- Broadband revenue stabilised to largely flat following a 2.3% decline at H1 – we remain focused on margin improvement as fibre company costs are passed through
- Managed data and networks revenue declined in line with long-term trend of customers migrating from legacy products to modern, lower ARPU alternatives
- Legacy voice revenues declined in line with long-term trend
- Collaboration revenues increased due to growth in cloud contact centres and meeting room upgrades
- IoT revenue grew as connections increased 16% to 2.38 million

IT

- Cloud revenues grew as public cloud uptake continued to increase
- IT services declined as challenging economic conditions dampened demand

	FY24	FY25	% change
Connectivity revenues			
Broadband	$613m	$608m	(0.8%)
Managed data and networks	$223m	$201m	(9.9%)
Voice	$180m	$150m	(16.7%)
Collaboration	$80m	$86m	7.5%
IoT	$46m	$48m	4.3%
IT revenues			
Cloud	$225m	$235m	4.4%
IT services	$156m	$144m	(7.7%)

Review of non-core assets completed

Targeted divestments completed or underway to simplify portfolio and further strengthen the balance sheet

	Asset	Outcome
Shareholdings	**Connexa**	• Sale of remaining stake (~17%) to global investment group CDPQ for $309 million net of transaction costs • Valued Connexa on a consistent basis with previous NZ mobile tower EBITDAI multiples • Proceeds used to reduce net debt and to be partially returned to shareholders through the H2 25 dividend
	Hutchison Telecommunications (Australia) Limited (HTAL)	• Sale of 10% stake in HTAL delivered NZ$47 million in proceeds in July 2025 • Offer of A$0.032 per share a 45% premium[1] to the upper end of the Independent Valuation range, and a 39% premium to the three-month VWAP[2] • Proceeds used to reduce net debt
	Southern Cross (SC)	• Maintain stake in near term as SC pursues self-funded expansion investments within the active subsea cable market
Enterprise and Government subsidiaries and products	**CCL and Qrious**	• Product portfolios and operating models simplified, and businesses integrated into Spark
	Digital Island	• Divested non-mobile business to support simplification
	Product portfolio	• Legacy security and network product simplification on track to complete Q1 26
Other subsidiaries	**MATTR**	• Process commenced to introduce new investors

(1) The Independent Valuation included the value of the sale of the TPG fibre assets to Vocus

(2) Volume weighted average price on the ASX prior to the announcement of the takeover offer

New technology delivery model introduced

Leveraging four strategic global partnerships to transform cost base and customer experiences

Technology layer	Strategic partner	
Network	NOKIA	Reduces network operating costs while accelerating AI and automation capabilities for better customer experiences
Cloud	Microsoft	Provides compelling hybrid cloud offering for customers, modernises Spark's hybrid cloud environment, accelerates AI uptake, and improves overall cloud economics
IT	Infosys	Reduces IT operating costs, while accelerating delivery of digital and AI- driven customer experiences
	Hewlett Packard Enterprise	Reduces IT operating costs, and ensures Spark's IT environments are continuously updated

Spark retains its critical assets and infrastructure and control over all components of competitive advantage – such as future network planning, critical incident oversight, technology architecture, and its product design and innovation roadmap

Spark a leader in AI and automation capability in New Zealand

Capability accelerating with agentic AI and global partnerships, supporting cost-out and customer experience

Strategy and talent	Responsible AI	Data capability	Predictive models and Gen AI	High-value use cases	Enterprise-wide tech enablement	Global partnerships
Existing AI capability					**FY26 focus**	

People

- **Improved productivity:** agentic AI tool, SparkGPT, an assistant for employees – providing rapid access to information and taking automated action to reduce manual work

Scaling SparkGPT to reduce cycle time of key processes, improving speed and efficiency

Customers

- **Shorter wait times:** customer care teams enabled by call summarisation (saving ~1.5-2 mins per call) and AI assistants – answering ~20k team questions a month and reducing queries to back-office teams by 60%
- **Faster to market:** predictive models automating and personalising customer comms, reducing campaign-to-market time from weeks to hours, and identifying sales priorities to best serve customers and grow revenue

Augmenting care teams with Agentic AI agents that solve queries and issues faster – immediate focus on service and billing

Network

- **Reduced resolution times:** real-time network performance monitoring that detects anomalies and advanced fault management that automates incident analysis and reduces customer experience impacts

Scale network AI and automation – reducing manual fault handling by up to 30%

Expanded cost reduction programme on track

$85m reduction in H2 25 delivered through labour, other opex, and product costs reductions

FY25 labour and opex reduction

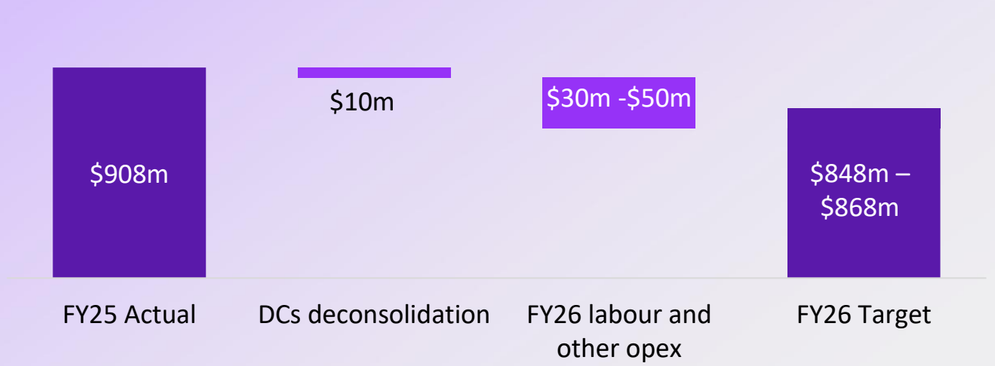
- At H1 25 Spark communicated an expanded cost-reduction target of $80m-$100m from H2 24 to H2 25
- This was delivered through:
  - $61 million reduction in labour costs (30 June ~1,300 FTE reduction YoY)
  - $4m reduction in other opex costs
  - $20m reduction in product costs – including network and IT costs

H2 25 vs H2 24 YoY cost reductions

FY26 labour and opex reduction

- FY26 targeting $30m-$50m net labour cost reduction, with other opex broadly flat to FY25 (plus additional $10m adjustment from deconsolidation of data centres from H2)
- Drivers of cost reductions:
  - Benefit of FY25 FTE reductions of ~1,300
  - Impact of labour inflation net of ongoing simplification
  - Partnership benefits offset by some increase in opex
  - Impact of inflationary cost pressures net of further opex savings
- On track to deliver annualised savings of $110m-$140m by end FY27[1]

Year-on-year labour costs and other opex reductions



(1) Subject to no material adverse change in operating outlook

Sustainability performance continues to mature

Spark remains committed to its FY30 SBTi[1] emissions reduction target and is taking meaningful steps to work towards it

Rising national grid emissions factor contributed to FY25 emissions increase

- Underlying performance improvements, with electricity consumption down 4.9%
- The winter energy crisis (caused by reduced hydro generation) drove the grid emissions factor up – contributing to an 11% YoY increase in scope 1 and 2 emissions, which are tracking 42% above our SBTi 2030 emissions reduction target pathway

Renewable partnership will decouple reported electricity emissions from national grid factor

- Ten-year renewable energy partnership with Genesis Energy commenced in Q3, when the Lauriston Solar Farm began generation
- Enables Spark to reduce reported electricity emissions by linking to new renewable generation – totalling a 3,954 tCO2e reduction in H2 (market-based)

Spark continues to support digital equity and safety

- Skinny Jump now supporting close to 34,000 households in need with subsidised broadband
- 5G now in 130 locations, covering over half of the population
- Close to 1.3 million SMS scam texts blocked on Spark's network since October 2024

(1) Science Based Target initiative

Data centre strategy update

Agreement reached to sell a 75% stake in data centre business

Spark continues to participate in high growth market through retained 25% stake

High quality data centre partner secured

- Pacific Equity Partners (PEP) has joined Spark as an investment partner for its data centre business – securing a funding pathway to build out the planned 130MW+ development pipeline

Realising value in the short and long term

- The partnership realises value for data centre assets in the short term, while enabling Spark to continue participating in the growing market through a 25% retained stake – creating further value for shareholders over the long term

Strong multiple compared to similar transactions

- Transaction values 'DC Co' at $705m[1], and represents an EV/EBITDA multiple of 30.8x[2] based on FY25 pro-forma EBITDA
- Spark expects to receive initial cash proceeds of ~$486m[3] at completion, with additional deferred cash proceeds of up to ~$98 million contingent on the achievement of performance-based objectives by the end of the CY27 (totaling ~$583m if the full earn-out is achieved)

Enables capital investment focus on core business

- Proceeds will be used to reduce group net debt
- Once the transaction is complete and DC Co's standalone funding facilities are in place, Spark's annual capital contribution to fund the development pipeline is expected to be modest

DC Co – transaction features

- 'DC Co' created to hold all data centre assets and operations (including resource consents), funded through a mix of equity and debt at completion
- DC Co will have its own Board, management team, and debt financing facilities (non-recourse to Spark)
- Spark expects to spend $50m-$70m capex in H1 26 prior to assumed transaction completion date[4]
- DC Co will be equity accounted from completion – estimated to be 1 January 2026[4]
- Earnings and cashflow generated by DC Co will be reinvested in the growth of the business

(1) Headline enterprise value comprising base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value
(2) Assumes FY25 pro forma EBITDA of $22.9m for Spark data centre business within the transaction perimeter
(3) Final net proceeds subject to completion adjustments
(4) Timing is an estimate only. The transaction is subject to regulatory and customary consents including Overseas Investment Office approval, with a targeted completion date of 31 December 2025

DC Co has a leading New Zealand data centre platform

Market continues to grow as cloud and AI uptake increases demand for data storage and compute in New Zealand

Leading New Zealand data centre platform	Significant development pipeline	Attractive market dynamics	Track record of securing global cloud contracts	High quality customer relationships	Strong focus on sustainability
11 data centre facilities across NZ, with three scale AKL campuses	**~7 hectares** of development land owned or under agreement	**~32% p.a.** CAGR for NZ DC capacity demand over next five years (1)	**30%** of data centre revenue attributable to global cloud providers (2)	**~270** Customers across International, Govt, Enterprise, SMEs	**10-year** Genesis Energy partnership providing access to renewable electricity
23 MW built capacity with 88% contracted utilisation	**Resource Consents** secured for Takanini Pod 3 and North Shore developments	**Cloud and AI driving** demand, as NZ catches up to global trends	**15-year WALE**(3) for global cloud / content provider data centre contracts	**<1.5%** historic churn across data centre customer base	**100%** renewable electricity to be matched to DC sites from FY26[4]

(1) Spark estimate
(2) Recurring revenue as at H1 25
(3) Based on a total contract value weighted average of remaining lease years as at 31-Mar-25 including renewal rights
(4) The Genesis renewable energy partnership, and REC matching, is expected to cover all current sites with the exception of Takanini Pod 2 and the University of Waikato which are recent additions to the portfolio

Data centre business continued to grow in FY25

Development pipeline increased to 130MW+ and revenue and margin grew through scaling utilisation and new customer wins

Overall performance

- Continued revenue growth, with high levels of utilisation at 88%
- Revenue and gross margin growth supported by scaling utilisation, customer wins, and price increases

	FY24	FY25	% change
Revenue [1] [2]	$45m	$50m	11.1%
Gross margin[2]	$43m	$47m	9.3%

Development pipeline increased to 130MW+ [3]

Takanini Campus

- Pod 1 & 2 capacity close to 100% contracted/committed
- Resource consent received for Pod 3 (new 15MW data centre) – finalising design, with Stage 1 completion targeted for FY28
- 2.6 ha of land contracted in July 2025, enabling future expansion of Pods 4 and 5

Aotea Campus

- 1MW expansion progressing on time and budget
- New customer wins onboarded in H2 FY25, including four global cloud/content providers

North Shore Campus

- Resource consent for data centre approved in June 2024
- 4.0 ha site acquisition settled July 2025 for planned initial 40MW development

[1] Note like-for-like revenue changed from previous reporting as Data Centres previously reported under Cloud and those branded CCL were consolidated

[2] These results reflect the data centre business owned by Spark in FY25 and differ from DC Co when divested

[3] Based on masterplans for Takanini Pods 4 and 5 which suggest capacity could be increased by 12MW

Capital management reset

Capital management reset

Renewed capital management discipline

Maintaining financial strength

- Focused on a strong balance sheet, targeting metrics consistent with current credit rating

Investment and portfolio management

- Investments and M&A for growth must meet Spark's hurdle rates (see following slide)
- New definitions of capex introduced:
  - BAU capex – all capital investment in the core business (excluding spectrum)
  - Strategic capex – any capital investment outside the core business, for example data centres

Sustainable shareholder returns

- Changes to Dividend Policy support a sustainable dividend, paid out of Free Cash Flow (FCF), including:
  - New definition of FCF includes the impact of changes in working capital and capital expenditure used to operate the core business
  - FCF continues to exclude spectrum and strategic capex (definition outlined above)
  - Payout ratio updated to 70-100% of FCF, to provide flexibility if needed in the future

When applied to FY26, the dividend will be based on 100% of free cash flow [(1)]

[(1)] Subject to no material adverse change in operating outlook

Capital allocation for shareholder value creation

Updated Capital Management Framework introduced for FY26 onwards

Capital Management Framework

01

Maintaining financial strength

Focused on a strong balance sheet, targeting metrics consistent with current credit rating

02

Investment and portfolio management

BAU capex – used to to sustain and grow the core business organically (excluding spectrum)

Strategic capex – capital investment outside the core business that meet Spark's hurdle rates

Investment and M&A for growth must meet hurdle rates

Hurdle rates: NPV positive and ROIC greater than cost of capital

Long-run capex to revenue ratio of 10-12%

03

Sustainable shareholder returns

Dividend payout ratio of 70-100% of Free Cash Flow (FCF)

Dividend Reinvestment Plan utilised when appropriate, currently suspended

Growth in return on invested capital

Definitions

- **Free Cash Flow:** Reported EBITDAI, less adjusting items and non-cash gains or losses; BAU capex; interest costs; tax; lease costs; impact of changes in working capital, and excluding strategic and spectrum capex
- **Strategic Capex:** capex that is allocated to key strategic projects outside the core business that is expected to meet specific return thresholds (for example, data centres)

Financial summary

FY25 financial summary

	REPORTED[1] FY24	REPORTED[1] FY25	CHANGE	ADJUSTED[2] FY24	ADJUSTED[2] FY25	CHANGE
Operating revenues and other gains	3,820	3,725	(2%)	3,861	3,700	(4%)
Operating expenses	(2,679)	(2,672)	0%	(2,698)	(2,640)	2%
EBITDAI	1,141	1,053	(8%)	1,163	1,060	(9%)
Net financing cost	(114)	(118)	(4%)	(114)	(118)	(4%)
Depreciation and amortisation	(512)	(590)	(15%)	(527)	(604)	(15%)
Net investment income/(expense)	(8)	2	NM	(8)	2	NM
Net earnings before tax expense	507	347	(32%)	514	340	(34%)
Tax expense	(196)	(95)	52%	(172)	(113)	34%
Net earnings after tax expense	311	252	(19%)	342	227	(34%)
Net earnings from discontinuing operation	5	8	60%	-	-	-
Total net earnings after tax expense	316	260	(18%)	342	227	(34%)
Capital expenditure	(518)	(429)	17%	(518)	(429)	17%
Free cash flow	-	-	-	330	330	-
EBITDAI margin	29.9%	28.3%	(1.6%)pts	30.1%	28.6%	(1.5%)pts
Effective tax rate	38.7%	27.4%	(11.3%)pts	33.5%	33.2%	0.3%pts
Capex to operating revenues & other gains	(13.6%)	(11.5%)	2.1%pts	(13.4%)	(11.6%)	1.8%pts
Total earnings per share (cents)	17.3	14.0	(19%)	18.7	12.3	(34%)
Total dividend per share (cents)	27.5	25.0	(9%)	27.5	25.0	(9%)
Return on invested capital [3]	11.9%	8.7%	(3.2%)pts	-	-	-

(1) Reported revenue and EBITDAI exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements (see Appendix for further detail).

(2) Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. See Appendix 1 for further details.

(3) ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity).

FY25 financial summary

FY25 adjusted EBITDAI of $1,060m within updated guidance

Reported result

- Reported revenue and EBITDAI exclude the data centre business, classified as a discontinuing operation; and include the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme
- Reported operating revenue and other gains of $3,725m was $95m lower than FY24
- Reported EBITDAI of $1,053m was $88m lower than FY24
- Net financing costs of $118m increased slightly from FY24 due to higher average net debt, despite the effective interest rate decreasing
- Tax expense of $95m reduced by $101m from FY24 due to:
  - a combination of lower earnings;
  - the FY25 $71m non-taxable gain on the Connexa transaction; and
  - the $26m additional tax in the prior year relating to the government's changes to tax depreciation on buildings
- This resulted in a lower FY25 effective tax rate of 27.4% vs 38.7% in FY24
- Reported NPAT of $260m was $56m lower than FY24

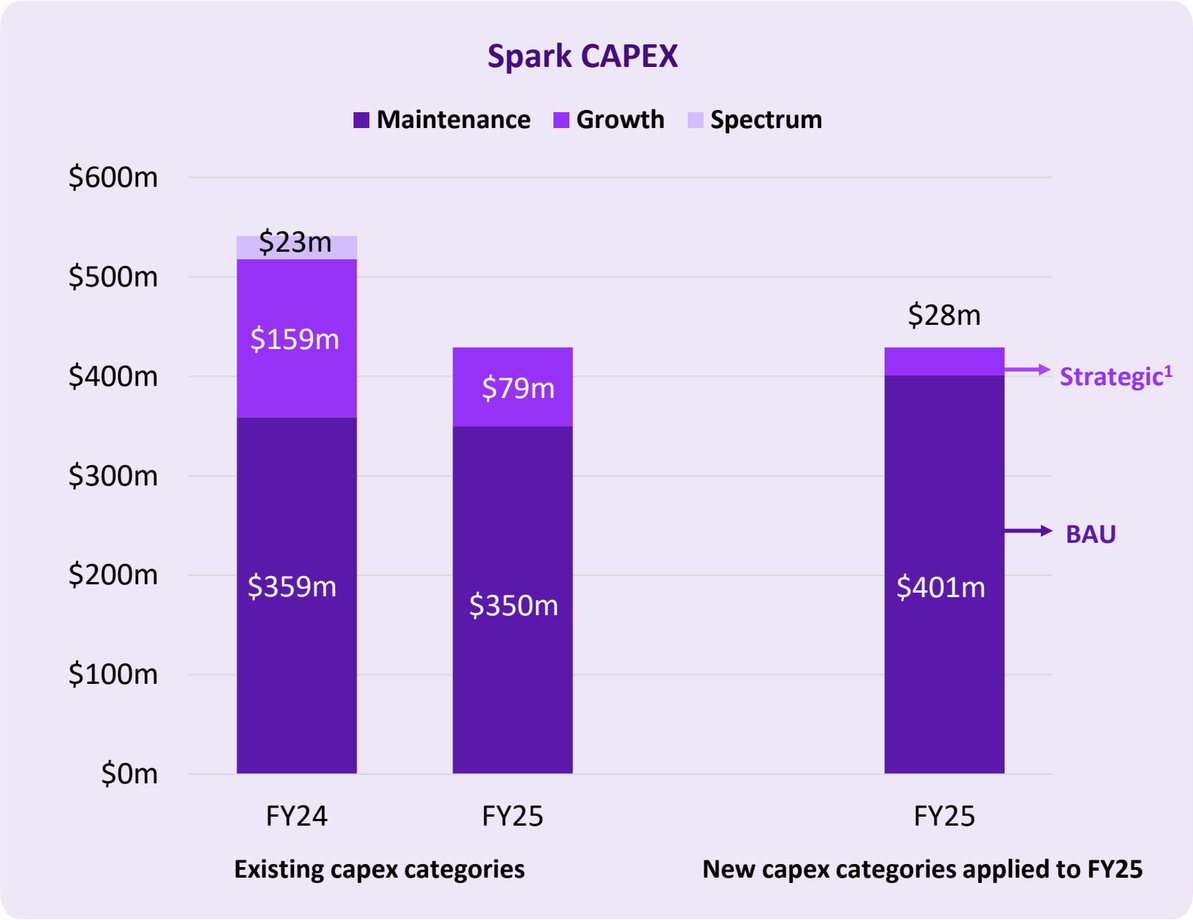
Adjusted result

- Adjusted revenue and EBITDAI include the data centre business, and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme
- In addition, the adjusted FY24 NPAT excludes the $26 million impact of the Government's changes to tax depreciation on buildings
- Adjusted operating revenue and other gains of $3,700m was $161m lower than FY24
- Operating expenses of $2,640m were $58m lower than FY24, due to lower volumes of products sold and H2 cost out initiatives
- As a result, adjusted EBITDAI of $1,060m was $103m lower than FY24
- Adjusted EBITDAI includes other gains of $31m, down 70% from the $102m reported in FY24
- Adjusted NPAT of $227m is $115m lower than FY24

Capital expenditure

Disciplined capital spending in FY25

- $429m of total capex in FY25 is 17.2% lower than FY24 and represents 11.6% of adjusted revenue – within 10%-12% target range
- Capital expenditure in FY25 included:
  - Continued investment in mobile core and radio access network (RAN) delivering greater network capacity, coverage, and reliability
  - Investment in IT systems focused on automation and enterprise platform integration to drive efficiency
  - Fixed network and international cable capacity supporting greater resilience and capacity
- In line with revised Capital Management Framework, from FY26 capex will be reclassified into BAU and strategic, with the latter excluded from Free Cash Flow (see pages 22 and 23 for further details)



(1) When applied to FY25, the only capital spend considered strategic was data centre investment. All other capex is considered BAU.

Free cash flow

Impact of lower EBITDAI offset by lower cash maintenance capex

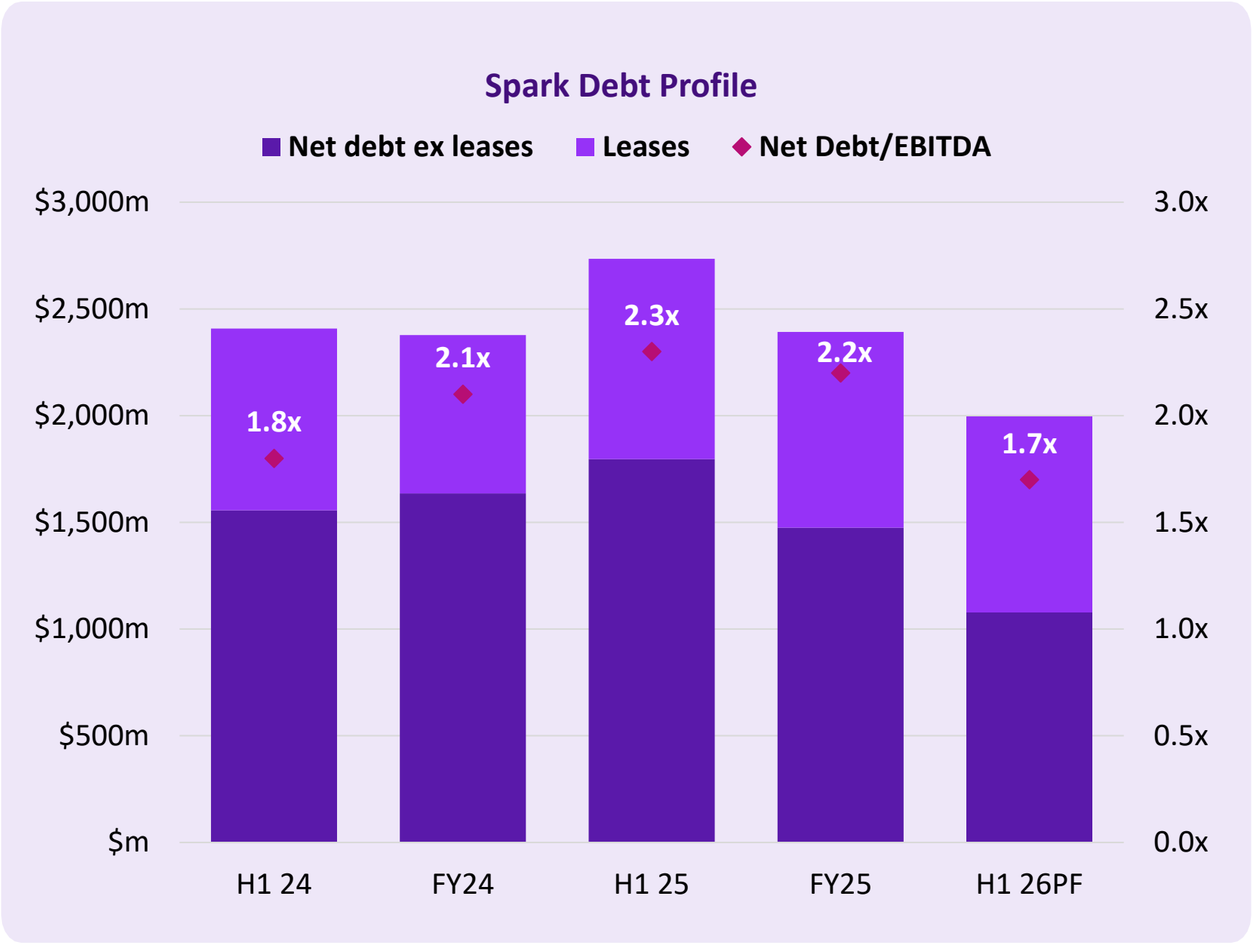
- FY25 FCF of $330m is steady on FY24, as maintenance capex was reduced to offset EBITDAI reduction
- As outlined on slide 22, in future years the calculation of FCF will be updated to include:
  - The impact of changes in working capital; and
  - The new definition of BAU capex
- The new definition of FCF excludes spectrum and strategic capex and will be used to determine the calculation of the dividend each year
- Strategic capex is defined as capex allocated to key strategic projects outside the core business expected to meet Spark's hurdle rate (see slides 22 and 23)

Adjusted free cash flow calculation	**FY24 ($m)**	**FY25 ($m)**	**Change ($m)**	**Change (%)**
Reported EBITDAI	1,141	1,053	(88)	(8%)
Add EBITDAI from discontinuing operations	22	25	3	14%
Less adjusting items and non-cash gains	(78)	(48)	30	38%
EBITDAI for free cash flow	1,085	1,030	(55)	(5%)
Less				
Cash paid on maintenance capital expenditure	(350)	(293)	57	16%
Cash paid on interest	(105)	(117)	(12)	(11%)
Cash paid on tax payments	(189)	(186)	3	2%
Cash paid on leases	(111)	(104)	7	6%
Total cash payments on items above	(755)	(700)	55	7%
Free cash flow (FY25 definition)	**330**	**330**	**0**	**0%**
Total change in working capital – increase in cash/(decrease in cash)	(20)	11	31	NM
Additional BAU capex	(191)	(81)	110	58%
Free cash flow (new definition)	**119**	**260**	**141**	**NM**

Debt and dividends

FY25 net debt reduced through Connexa proceeds, with further improvement to come from FY26 transactions

- At 30 June 2025 net debt at hedged rates was $1,475m:
  - Based on gross debt at hedged rates of $1,509m and cash of $34m
  - After including the impact of leases and the captive finance book (in line with S&P methodology) net debt was $2,127m
- Net Debt/EBITDA at 30 June 2025 was 2.2x compared to 2.3x at 31 December 2024 and 2.1x at 30 June 2024
  - Expect Net Debt/EBITDA ratio to reduce by ~0.5x post HTAL and once data centre transaction completes
- FY25 total divided of 25cps in line with updated guidance, including some of the proceeds from the Connexa sale which completed in H2 25
- Given the anticipated receipt of proceeds from the data centre transaction and subsequent reduction in net debt, the Dividend Reinvestment Plan has been suspended for the final FY25 dividend



SPK-30 Strategy

SPK-30 builds on our competitive advantages

Leaders in the market

No 1. market share[1]
in mobile and broadband

Most reliable mobile network
with the widest coverage experience[2]

Most trusted brand in our sector[3]

Satisfied, loyal customers

High customer loyalty in mobile base

Five year growth in customer satisfaction 

2.6m+
Mobile connections

660k+
Broadband connections

110k+
SME customers

+40
iNPS[4]

1,100+
Enterprise and government customers

Significant and valuable asset base

99%
of NZers reached by 4G network

2.3m+
Connections to IoT network

2.2k+
Mobile sites[5]

330MHz
Highest value spectrum holdings

Digital Infra
data centre and subsea cable shareholdings

Strong return on investment

8.7% ROIC in FY25, outperforming most global peers[6]

1. All comparisons are market share estimates sourced from IDC as at 30 June 2025.
2. Opensignal Awards – "New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024© 2024 Opensignal Limited.
3. TRA brand reputation monitor April-June 2025.
4. Interaction net promoter score.
5. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2025.
6. ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity). Peers are comparable telecommunications companies.

SPK-30 Strategy

Our Purpose

To help all of New Zealand win big in a digital world

Our Ambition

It's better with Spark

Better network

Better customer experiences

Our Strategic Choices

1. Lead in core connectivity
2. Simplify and optimise beyond the core

Our Enablers

People and culture

Technology and AI

Financial discipline

Sustainable Spark

Where we will invest for growth

Grow core connectivity

Mobile

Broadband

Business connectivity

Fixed networks, IoT, collaboration, voice

STRATEGIC CONTEXT

- Contributes 80% of Spark's gross margin
- Spark the clear market leader in connectivity
- Connectivity products often bundled by customers
- Customer demand for data continues to grow
- Leading 5G Standalone investment creates new commercialisation opportunities

OUR STRATEGIC CHOICE

Connectivity will be the #1 focus of future capital allocation

- Strengthen mobile market leadership
- Grow broadband bundling and wireless 5G
- Deliver advanced connectivity solutions

Simplify and optimise beyond the core

Cloud

Procurement

IT Services

Service management and data and AI consulting

STRATEGIC CONTEXT

- Contributes 20% of Spark's gross margin
- More fragmented competitive environment
- Leading market positions in cloud and IT
- Changing mix and demand impacting profitability

OUR STRATEGIC CHOICE

In adjacent segments we will:

- Optimise for changing markets
- Simplify and exit legacy
- Leverage AI, automation, and global partnerships for efficiency and better customer experiences

Better network

Reliable and trusted network

Grow our leadership in reliability and coverage by:

Investing where it matters for our customers: network upgrades and expansion based on our customers' real-world experiences using our network

Proactively resolving network issues: leverage our Nokia partnership to accelerate our use of AI, advanced analytics, and automation, to detect and resolve network issues proactively for our customers

Uplifting regional resilience: improve redundancy through investment in self-healing networks and satellite connectivity

New value from advanced technologies

Create new commercialisation opportunities:

New customer solutions: leverage leading 5G Standalone network investment to bring new capabilities to our business customers – such as network slicing and private networks

New commercial models: participate in the global shift to create new commercial models for 'Network as a service' that are API-based and globally standardised

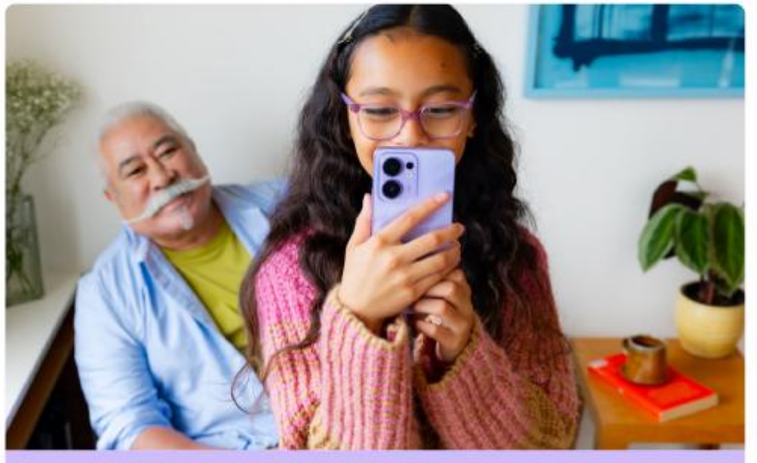
Better customer experiences

There when it matters

Deliver a consistent, reliable network usage experience for our customers – moving from reactive to proactive assistance

Simple and easy to deal with

Upweight our focus on digital channel, automation, and AI investment to reduce friction and time to serve for our customers, and improve self-service capability and sales conversion



I am valued

Customers are recognised and rewarded through our products and services, communications, and experiences that differentiate us from the pack

Outlook and guidance

FY26 Guidance [1]

	FY25 Actual	FY26 Guidance (incl. data centres) [3]	FY26 Guidance (excl. data centres) [4]
Adjusted EBITDAI	$1,060m[2]	$1,020m - $1,080m	$1,010m - $1,070m
Total capex	$429m	*FY26 onwards – new definitions of capex listed below*	
BAU capex	-	$380m - $410m	$380m - $410m
Strategic capex (data centres)	-	$50m-$70m (committed capex to data centres) [6]	
Free cash flow (old definition)	$330m	*FY26 onwards – new definition of FCF listed below*	
Free cash flow (new definition) [5]	-	$290m - $330m	$290m - $330m
Dividend	25.0 cps	100% of FCF	100% of FCF

[1] Subject to no material adverse change in operating outlook
[2] Adjusted EBITDAI excludes Connexa gain on sale and transformation costs
[3] FY26 Guidance (incl data centres) is provided on the basis that the data centres business continues to be owned 100% through FY26
[4] FY26 Guidance (excluding data centres) assumes that the data centres transaction completes on 31 December 2025 and for the whole of H2 26 data centres is accounted for as an associate (i.e. earnings below the EBITDAI line). Any gain on sale from the data centres transaction is excluded from the adjusted EBITDAI
[5] New definition of free cash flow - Reported EBITDAI, less adjusting items and non-cash gains/losses; BAU capex; interest costs; tax; lease costs; impact of changes in working capital, and excluding strategic and spectrum capex
[6] Spark has committed to $50m-$70m of capex in H1 26 associated with the data centres business – this is planned as part of the data centres transaction when it completes, but will not be included in the free cash flow calculation

Appendix

FY25 reported and adjusted earnings reconciliation

- The data centre business has been classified in the Financial Statements as a discontinuing operation held for sale at 30 June 2025 in accordance with the requirements of NZ GAAP. As a result, the revenue and expense items for both FY25 and FY24 have been separated from continuing operations of Spark and disclosed separately in the profit and loss in the financial statements as net earnings after tax from discontinuing operations.

- To assist in comparability, and reporting in a manner consistent with market guidance, the discontinuing operations have been added back to the profit and loss in the adjusted earnings calculations. The attached table provides a reconciliation Reported to Adjusted earnings.

	FY24					FY25				
$m	Reported per Financial Statements	Data centre business (1) added back	Results inc. data centres	PY one-off tax adjustment (2)	Adjusted (inc. DCs and PY adjustment)	Reported per Financial Statements	Data centre business[1] added back	Results inc. data centres	FY25 adjusting items (3)	Adjusted (inc. DCs and excl. Connexa gain & transform. costs)
Operating revenues and other gains	3,820	41	3,861		3,861	3,725	46	3,771	(71)	3,700
Operating expenses	(2,679)	(19)	(2,698)		(2,698)	(2,672)	(21)	(2,693)	53	(2,640)
EBITDAI	**1,141**	**22**	**1,163**	**0**	**1,163**	**1,053**	**25**	**1,078**	**(18)**	**1,060**
Net finance income	(114)		(114)		(114)	(118)		(118)		(118)
Depreciation and amortisation	(512)	(15)	(527)		(527)	(590)	(14)	(604)		(604)
Net investment income	(8)		(8)		(8)	2		2		2
Net earnings before tax	507	7	514	0	514	347	11	358	(18)	340
Net tax expense	(196)	(2)	(198)	26	(172)	(95)	(3)	(98)	(15)	(113)
Net earnings from continuing operations	311	5	316	26	342	252	8	260	(33)	227
Net earnings from discontinuing operation	5	(5)	0		0	8	(8)	0		0
Net earnings	**316**	**0**	**316**	**26**	**342**	**260**	**0**	**260**	**(33)**	**227**

(1) Add back the data centre business from discontinuing operation to the profit and loss
(2) Adjustment for FY24 government change to tax depreciation rules on buildings
(3) Adjusted to exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme

FY25 debt key metrics

Net debt	FY24 ($m)	H1 25 ($m)	FY25 ($m)
Net debt at hedged rates	$1,636	$1,796	$1,475
Net debt at hedged rates including lease liabilities[1]	$2,438	$2,735	$2,392
Debt ratios			
Borrowing costs (annualised)	6.4%	5.6%	5.6%
Weighted average debt maturity (years)	3.7 years	3.1 years	3.1 years
Debt servicing[2]	2.1x	2.3x	2.2x
Gearing	60%	66%	61%
Interest cover	9x	7x[3]	8x

(1) Prior historical periods restated for the additional leaseback liability on customer leases
(2) Debt servicing is calculated as (Net debt at hedge rates including lease liabilities - captive finance adjustments)/(Adjusted EBITDAI - captive finance adjustments) which Spark estimates aligns to S&P's credit rating calculation
(3) H1 25 interest cover is calculated using the H1 25 earnings and interest costs

Spark New Zealand

Group result - reported

Reported revenue, expenses, EBITDAI and NPAT exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Operating revenues and other gains	2,521	1,943	1,956	1,864	1,916	1,809	3,820	3,725	(95)	(2.5%)
Operating expenses	(1,485)	(1,269)	(1,437)	(1,242)	(1,510)	(1,162)	(2,679)	(2,672)	7	0.3%
EBITDAI	**1,036**	**674**	**519**	**622**	**406**	**647**	**1,141**	**1,053**	**(88)**	**(7.7%)**
Finance income	16	16	14	16	15	16	30	31	1	3.3%
Finance expense	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Depreciation and amortisation	(244)	(251)	(244)	(268)	(293)	(297)	(512)	(590)	(78)	(15.2%)
Net investment income	(1)	2	(3)	(5)	-	2	(8)	2	10	NM
Net earnings before income tax	**764**	**385**	**223**	**284**	**53**	**294**	**507**	**347**	**(160)**	**(31.6%)**
Tax income / (expense)	100	(116)	(69)	(127)	(23)	(72)	(196)	(95)	101	51.5%
Net earnings from continuing operations	864	269	154	157	30	222	311	252	(59)	(19.0%)
Net earnings from discontinuing operations	1	1	2	3	3	5	5	8	3	60.0%
Total net earnings for the period	**865**	**270**	**156**	**160**	**33**	**227**	**316**	**260**	**(56)**	**(17.7%)**
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Reported EBITDAI margin	41.1%	34.7%	26.5%	33.4%	21.2%	35.8%	29.9%	28.3%	(1.6pp)	
Reported effective tax rate	(13.1%)	30.1%	30.9%	44.7%	43.4%	24.5%	38.7%	27.4%	(11.3pp)	
Capital expenditure to operating revenues and other gains	(9.9%)	(13.6%)	(14.6%)	(12.4%)	(13.2%)	(9.8%)	(13.6%)	(11.5%)	2.1pp	
Reported basic EPS[1] (cents) from continuing operations	46.1	14.5	8.4	8.7	1.6	12.0	17.0	13.6	(3.4)	(20.0%)
Reported diluted EPS (cents) from continuing operations	46.0	14.5	8.4	8.8	1.6	12.0	17.0	13.6	(3.4)	(20.0%)
Reported basic EPS (cents) from discontinuing operations	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.1	33.3%
Reported diluted EPS (cents) from discontinuing operations	0.1	0.1	0.1	0.3	0.2	0.3	0.3	0.4	0.1	33.3%

[1]Earnings per share

Group result - adjusted

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes one-off significant items (such as gains, expenses and impairments) individually greater than $25 million. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts were deemed significant to adjust. In the year ended 30 June 2024, the tax effects resulting from the government change to tax depreciation rules for buildings effective for Spark from 1 July 2024 of $26 million was deemed a significant item to adjust. Adjusted revenue, expenses, EBITDAI and NPAT include the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,761	3,861	3,700	(161)	(4.2%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,149)	(2,698)	(2,640)	58	2.1%
Adjusted EBITDAI	**510**	**683**	**530**	**633**	**448**	**612**	**1,163**	**1,060**	**(103)**	**(8.9%)**
Finance income	16	16	14	16	15	16	30	31	1	3.3%
Finance expense	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Depreciation and amortisation	(248)	(256)	(251)	(276)	(300)	(304)	(527)	(604)	(77)	(14.6%)
Adjusted net investment income	(1)	(3)	(3)	(5)	-	2	(8)	2	10	NM
Adjusted net earnings before income tax	**234**	**384**	**227**	**287**	**88**	**252**	**514**	**340**	**(174)**	**(33.9%)**
Adjusted income tax expense	(69)	(116)	(70)	(102)	(32)	(81)	(172)	(113)	59	34.3%
Adjusted net earnings for the period	**165**	**268**	**157**	**185**	**56**	**171**	**342**	**227**	**(115)**	**(33.6%)**
Capital expenditure excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Free cash flows excluding spectrum	115	374	46	284	77	253	330	330	-	-%
Adjusted EBITDAI margin	26.2%	34.9%	26.8%	33.6%	23.1%	34.8%	30.1%	28.6%	(1.5pp)	
Adjusted effective tax rate	29.5%	30.2%	30.8%	35.5%	36.4%	32.1%	33.5%	33.2%	(0.3pp)	
Capital expenditure to adjusted operating revenues and other gains	(12.8%)	(13.5%)	(14.5%)	(12.3%)	(13.0%)	(10.1%)	(13.4%)	(11.6%)	1.8pp	
Adjusted basic EPS[1] (cents)	8.8	14.4	8.6	10.1	3.1	9.2	18.7	12.3	(6.4)	(34.2%)
Adjusted diluted EPS (cents)	8.8	14.3	8.5	10.2	3.1	9.2	18.7	12.3	(6.4)	(34.2%)

[1]Earnings per share

Declared Dividends

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Ordinary dividends (cents per share)	13.50	13.50	13.50	14.00	12.50	12.50	27.50	25.00	(2.50)	(9.1%)
Total dividend (cents per share)	13.50	13.50	13.50	14.00	12.50	12.50	27.50	25.00	(2.50)	(9.1%)

Spark New Zealand

Group operating revenues and other gains

Connectivity	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)
Mobile non-service revenue	252	238	239	225	248	218	464	466	2	0.4%
Total mobile	732	738	749	725	739	714	1,474	1,453	(21)	(1.4%)
Voice	122	109	94	86	78	72	180	150	(30)	(16.7%)
Broadband[1]	313	313	309	304	302	306	613	608	(5)	(0.8%)
Managed data and networks[2]	110	112	112	111	102	99	223	201	(22)	(9.9%)
Collaboration[2]	39	40	40	40	44	42	80	86	6	7.5%
Total connectivity	1,316	1,312	1,304	1,266	1,265	1,233	2,570	2,498	(72)	(2.8%)
Other										
Cloud[2,3]	105	103	109	116	118	117	225	235	10	4.4%
IT Services[3]	87	99	80	76	72	72	156	144	(12)	(7.7%)
Procurement and partners	319	265	339	209	332	206	548	538	(10)	(1.8%)
Data centres[3]	17	15	22	23	25	25	45	50	5	11.1%
High-tech	31	34	35	44	41	43	79	84	5	6.3%
Other products	71	101	68	68	63	57	136	120	(16)	(11.8%)
Total other	630	617	653	536	651	520	1,189	1,171	(18)	(1.5%)
Adjusted operating revenues	1,946	1,929	1,957	1,802	1,916	1,753	3,759	3,669	(90)	(2.4%)
Other gains	4	29	19	83	23	8	102	31	(71)	(69.6%)
Adjusted operating revenues and other gains	1,950	1,958	1,976	1,885	1,939	1,761	3,861	3,700	(161)	(4.2%)
Adjusting items - Net gain on sale/divestment of Connexa	584	(1)	-	-	-	71	-	71	71	NM
Operating revenues from discontinuing operations	(13)	(14)	(20)	(21)	(23)	(23)	(41)	(46)	(5)	(12.2%)
Reported operating revenues and other gains	2,521	1,943	1,956	1,864	1,916	1,809	3,820	3,725	(95)	(2.5%)

[1]Wireless broadband revenues and connections are included in broadband revenues and connections.

[2]The total of these three products falls under IT products as referenced in the financial statements.

[3]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Group operating expenses

Product costs	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Total mobile	(255)	(231)	(253)	(231)	(251)	(206)	(484)	(457)	27	5.6%
Voice	(51)	(47)	(43)	(38)	(36)	(32)	(81)	(68)	13	16.0%
Broadband	(164)	(164)	(161)	(164)	(162)	(169)	(325)	(331)	(6)	(1.8%)
Managed data and networks[1]	(64)	(64)	(67)	(66)	(59)	(58)	(133)	(117)	16	12.0%
Collaboration[1]	(15)	(15)	(17)	(18)	(19)	(18)	(35)	(37)	(2)	(5.7%)
Cloud[1]	(39)	(33)	(38)	(47)	(61)	(50)	(85)	(111)	(26)	(30.6%)
IT services[1]	(14)	(19)	(14)	(28)	(23)	(26)	(42)	(49)	(7)	(16.7%)
Procurement and partners	(292)	(225)	(315)	(168)	(307)	(166)	(483)	(473)	10	2.1%
Data centres	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(3)	(1)	(50.0%)
High-tech	(8)	(11)	(13)	(21)	(19)	(20)	(34)	(39)	(5)	(14.7%)
Other product costs	(46)	(43)	(22)	(23)	(26)	(21)	(45)	(47)	(2)	(4.4%)
Total product costs	(949)	(853)	(944)	(805)	(965)	(767)	(1,749)	(1,732)	17	1.0%
Labour	(269)	(242)	(279)	(233)	(271)	(172)	(512)	(443)	69	13.5%
Other operating expenses										
Network support costs	(45)	(20)	(40)	(33)	(52)	(27)	(73)	(79)	(6)	(8.2%)
Computer costs	(57)	(52)	(52)	(63)	(74)	(58)	(115)	(132)	(17)	(14.8%)
Accommodation costs	(23)	(26)	(29)	(29)	(29)	(26)	(58)	(55)	3	5.2%
Electricity - data centres[2]	(2)	(2)	(2)	(2)	(3)	(4)	(4)	(7)	(3)	(75.0%)
Electricity - non data centres	(15)	(15)	(17)	(17)	(16)	(18)	(34)	(34)	-	-%
Advertising, promotions and communication	(33)	(23)	(33)	(21)	(31)	(27)	(54)	(58)	(4)	(7.4%)
Bad debts	(4)	(5)	(7)	(8)	(10)	(9)	(15)	(19)	(4)	(26.7%)
Other	(43)	(37)	(43)	(41)	(40)	(41)	(84)	(81)	3	3.6%
	(222)	(180)	(223)	(214)	(255)	(210)	(437)	(465)	(28)	(6.4%)
Adjusted operating expenses	(1,440)	(1,275)	(1,446)	(1,252)	(1,491)	(1,149)	(2,698)	(2,640)	58	2.1%
Spark Sport provision	(52)	(2)	-	-	-	-	-	-	-	NM
Transformation costs	-	-	-	-	(29)	(24)	-	(53)	(53)	NM
Operating expenses from discontinuing operations	7	8	9	10	10	11	19	21	2	10.5%
Reported operating expenses	(1,485)	(1,269)	(1,437)	(1,242)	(1,510)	(1,162)	(2,679)	(2,672)	7	0.3%

[1]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

[2]Estimated electricity costs to run Spark Group's dedicated data centres.

Group FTEs

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	FY25 vs FY24
FTE permanent	4,976	5,189	5,356	5,072	4,456	3,792	5,072	3,792	(1,280)	(25.2%)
FTE contractors	182	143	97	70	94	55	70	55	(15)	(21.4%)
Total FTE	5,158	5,332	5,453	5,142	4,550	3,847	5,142	3,847	(1,295)	(25.2%)

Spark New Zealand

Gross margin by product

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Total mobile	477	507	496	494	488	508	990	996	6	0.6%
Voice	71	62	51	48	42	40	99	82	(17)	(17.2%)
Broadband	149	149	148	140	140	137	288	277	(11)	(3.8%)
Managed data and networks[1]	46	48	45	45	43	41	90	84	(6)	(6.7%)
Collaboration[1]	24	25	23	22	25	24	45	49	4	8.9%
Cloud[1]	66	70	71	69	57	67	140	124	(16)	(11.4%)
IT services[1]	73	80	66	48	49	46	114	95	(19)	(16.7%)
Procurement and partners	27	40	24	41	25	40	65	65	-	-%
Data centres[1]	16	14	21	22	23	24	43	47	4	9.3%
High-tech	23	23	22	23	22	23	45	45	-	-%
Other products	25	58	46	45	37	36	91	73	(18)	(19.8%)
Adjusted product gross margin	997	1,076	1,013	997	951	986	2,010	1,937	(73)	(3.6%)
Other gains	4	29	19	83	23	8	102	31	(71)	(69.6%)
Adjusted gross margin	1,001	1,105	1,032	1,080	974	994	2,112	1,968	(144)	(6.8%)
Gross margin from discontinuing operations	13	14	20	20	23	22	40	45	5	12.5%
Gain on sale/divestment of Connexa	584	(1)	-	-	-	71	-	71	71	NM
Reported gross margin	1,598	1,118	1,052	1,100	997	1,087	2,152	2,084	(68)	(3.2%)

[1]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Finance expense & income

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Finance expense										
Finance expense on debt	(22)	(28)	(33)	(42)	(41)	(38)	(75)	(79)	(4)	(5.3%)
Other interest and finance expenses	(7)	(5)	(8)	(15)	(10)	(10)	(23)	(20)	3	13.0%
Lease interest expense	(15)	(24)	(24)	(24)	(25)	(26)	(48)	(51)	(3)	(6.3%)
Leased customer equipment interest expense	(4)	(3)	(4)	(4)	(3)	(3)	(8)	(6)	2	25.0%
	(48)	(60)	(69)	(85)	(79)	(77)	(154)	(156)	(2)	(1.3%)
Capitalised interest	5	4	6	4	4	3	10	7	(3)	(30.0%)
	(43)	(56)	(63)	(81)	(75)	(74)	(144)	(149)	(5)	(3.5%)
Finance income										
Finance lease interest income	4	4	4	4	4	4	8	8	-	-%
Other interest income	12	12	10	12	11	12	22	23	1	4.5%
	16	16	14	16	15	16	30	31	1	3.3%

Depreciation and amortisation expense

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Depreciation and amortisation expense										
Depreciation - property, plant and equipment	(114)	(113)	(112)	(123)	(147)	(138)	(235)	(285)	(50)	(21.3%)
Depreciation - right-of-use assets	(36)	(39)	(42)	(47)	(50)	(55)	(89)	(105)	(16)	(18.0%)
Depreciation - leased customer equipment assets	(19)	(17)	(17)	(16)	(13)	(14)	(33)	(27)	6	18.2%
Amortisation - intangible assets	(79)	(87)	(80)	(90)	(90)	(97)	(170)	(187)	(17)	(10.0%)
Adjusted depreciation and amortisation expense	(248)	(256)	(251)	(276)	(300)	(304)	(527)	(604)	(77)	(14.6%)
Depreciation and amortisation expense from discontinuing operations	4	5	7	8	7	7	15	14	(1)	(6.7%)
Reported depreciation and amortisation expense	(244)	(251)	(244)	(268)	(293)	(297)	(512)	(590)	(78)	(15.2%)

Net investment income

Net investment income	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Share of associates' and joint ventures' net losses	(3)	(9)	(8)	(9)	(6)	-	(17)	(6)	11	64.7%
Interest income on loans receivable from associates and joint ventures	2	6	6	6	6	2	12	8	(4)	(33.3%)
Impairment of investments	-	-	-	(2)	-	-	(2)	-	2	100.0%
Net disposal and remeasurement of equity accounted investments	-	-	(1)	-	-	-	(1)	-	1	100.0%
Adjusted net investment income	(1)	(3)	(3)	(5)	-	2	(8)	2	10	NM
Net gain on dilution of the investment in the Connexa group	-	5	-	-	-	-	-	-	-	NM
Reported net investment income	(1)	2	(3)	(5)	-	2	(8)	2	10	NM

Spark New Zealand

Core Connectivity

Analysis & KPIs - Mobile

Consumer & SME	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Pay monthly										
Connections (k)	1,146	1,175	1,189	1,193	1,202	1,199	1,193	1,199	6	0.5%
ARPU ($)	44.36	44.49	45.51	44.36	44.25	45.12	44.93	44.68	(0.25)	(0.6%)
Prepaid										
Connections (k)	1,118	1,173	1,210	1,173	1,106	1,112	1,173	1,112	(61)	(5.2%)
ARPU ($)	17.26	16.91	16.09	15.88	16.21	16.00	15.99	16.10	0.11	0.7%
Total Consumer & SME mobile service revenue ($m)	410	427	438	431	428	433	869	861	(8)	(0.9%)
Enterprise & Government										
Pay monthly										
Connections (k)	325	334	336	324	317	318	324	318	(6)	(1.9%)
ARPU ($)	32.16	31.05	30.49	29.45	26.68	25.81	30.44	26.22	(4.22)	(13.9%)
Total Enterprise & Government mobile service revenue ($m)	62	62	62	58	51	49	120	100	(20)	(16.7%)
Wholesale & other[1]										
Mobile service revenue ($m)	8	11	10	11	12	14	21	26	5	23.8%
Total mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)

Total mobile	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	%
Mobile service revenue	480	500	510	500	491	496	1,010	987	(23)	(2.3%)
Mobile non-service revenue[2]	252	238	239	225	248	218	464	466	2	0.4%
Total mobile revenue	732	738	749	725	739	714	1,474	1,453	(21)	(1.4%)
Mobile product costs[3]	(255)	(231)	(253)	(231)	(251)	(206)	(484)	(457)	27	5.6%
Mobile gross margin	477	507	496	494	488	508	990	996	6	0.6%
Mobile gross margin %	65.2%	68.7%	66.2%	68.1%	66.0%	71.1%	67.2%	68.5%	1.3pp	

	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H2 FY25 000's	FY24 000's	FY25 000's	FY25 vs FY24 000's	%
Pay monthly connections	1,471	1,509	1,525	1,517	1,519	1,517	1,517	1,517	-	-%
Prepaid connections	1,118	1,173	1,210	1,173	1,106	1,112	1,173	1,112	(61)	(5.2%)
Internal connections	4	4	4	4	4	3	4	3	(1)	(25.0%)
Total mobile connections[4]	2,593	2,686	2,739	2,694	2,629	2,632	2,694	2,632	(62)	(2.3%)
Total ARPU ($)	31.30	30.78	30.66	30.03	30.17	30.41	30.35	30.29	(0.06)	(0.2%)

[1]Includes MVNO revenue, but excludes other customer segment mobile revenue which is now captured in non-service revenue.

[2]Mobile non-service revenue includes handset sales and mobile interconnect.

[3]Includes handset. interconnect and cellphone tower access costs.

[4]Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections and internal connections.

Analysis & KPIs - IoT[1]

	H1 FY23 000's	H2 FY23 000's	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H2 FY25 000's	FY24 000's	FY25 000's	FY25 vs FY24 000's	%
Total IoT connections	1,160	1,461	1,799	2,048	2,250	2,376	2,048	2,376	328	16.0%

	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	%
Total IoT revenue	14	16	20	26	25	23	46	48	2	4.3%
IoT product costs	(6)	(9)	(9)	(17)	(13)	(13)	(26)	(26)	-	-%
IoT gross margin	8	7	11	9	12	10	20	22	2	10.0%
IoT gross margin %	57.1%	43.8%	55.0%	34.6%	48.0%	43.5%	43.5%	45.8%	2.4pp	

[1]IoT is defined as core connectivity but is currently classified within the High-tech product in revenue and expenses.

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Other connectivity

Analysis & KPIs - Voice

Voice connections by type	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	112	91	69	59	49	39	59	39	(20)	(33.9%)
VoIP	60	59	53	51	48	49	51	49	(2)	(3.9%)
Voice over wireless	14	8	8	6	6	5	6	5	(1)	(16.7%)
Total voice connections	186	158	130	116	103	93	116	93	(23)	(19.8%)

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Total voice revenue	122	109	94	86	78	72	180	150	(30)	(16.7%)
Voice product costs[1]	(51)	(47)	(43)	(38)	(36)	(32)	(81)	(68)	13	16.0%
Voice gross margin	71	62	51	48	42	40	99	82	(17)	(17.2%)
Voice gross margin %	58.2%	56.9%	54.3%	55.8%	53.8%	55.6%	55.0%	54.7%	(0.3pp)	

[1]Includes voice access (baseband), interconnect, and international calling costs.

Analysis & KPIs - Broadband

Broadband connections by technology	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	79	64	54	43	36	26	43	26	(17)	(39.5%)
Fibre	423	426	427	428	424	422	428	422	(6)	(1.4%)
Wireless	202	209	214	216	218	213	216	213	(3)	(1.4%)
Total broadband connections	704	699	695	687	678	661	687	661	(26)	(3.8%)

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Total broadband revenue	313	313	309	304	302	306	613	608	(5)	(0.8%)
Broadband product costs[2]	(164)	(164)	(161)	(164)	(162)	(169)	(325)	(331)	(6)	(1.8%)
Broadband gross margin	149	149	148	140	140	137	288	277	(11)	(3.8%)
Broadband gross margin %	47.6%	47.6%	47.9%	46.1%	46.4%	44.8%	47.0%	45.6%	(1.4pp)	

[2]Includes broadband access (UBA/UCLL/Fibre) and modem costs.

Analysis & KPIs - Managed data and networks

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Managed data and networks revenue	110	112	112	111	102	99	223	201	(22)	(9.9%)
Managed data and networks product costs[3]	(64)	(64)	(67)	(66)	(59)	(58)	(133)	(117)	16	12.0%
Managed data and networks gross margin	46	48	45	45	43	41	90	84	(6)	(6.7%)
Managed data and networks gross margin %	41.8%	42.9%	40.2%	40.5%	42.2%	41.4%	40.4%	41.8%	1.4pp	

[3]Includes wide area network access, international data, network backhaul and videoconferencing platform costs.

Analysis & KPIs - Collaboration

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Collaboration revenue	39	40	40	40	44	42	80	86	6	7.5%
Collaboration product costs	(15)	(15)	(17)	(18)	(19)	(18)	(35)	(37)	(2)	(5.7%)
Collaboration gross margin	24	25	23	22	25	24	45	49	4	8.9%
Collaboration gross margin %	61.5%	62.5%	57.5%	55.0%	56.8%	57.1%	56.3%	57.0%	0.7pp	

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Other

Analysis & KPIs - Data centres[1]

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Data centre revenue[2]	17	15	22	23	25	25	45	50	5	11.1%
Data centre product cost	(1)	(1)	(1)	(1)	(2)	(1)	(2)	(3)	(1)	(50.0%)
Data centre gross margin	16	14	21	22	23	24	43	47	4	9.3%
Data centre gross margin%	94.1%	93.3%	95.5%	95.7%	92.0%	96.0%	95.6%	94.0%	(1.6pp)	

Data centre KPIs	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
Data centre capacity built (in MW)	11	11	22	22	22	23	22	23	1	4.5%
Data centre capacity under construction (in MW)	11	11	1	1	1	-	1	-	(1)	(100.0%)
Data centre development pipeline (in MW)	19	19	70	70	118	130	70	130	60	85.7%
Total capacity (in MW)	41	41	93	93	141	153	93	153	60	64.5%
Weighted average lease term with options (WALE)[3]	16.9	16.9	16.4	15.9	15.4	14.9	16.2	15.1	(1.1)	(6.8%)
Contracted utilisation dedicated data centres[4]	84%	84%	88%	88%	88%	87%	88%	88%	-%	
Target power usage effectiveness (PUE)	N/A	N/A	1.2	1.2	1.2	1.2	1.2	1.2	-	-%
PUE - Legacy data centre assets	1.54	1.56	1.57	1.57	1.60	1.60	1.57	1.60	(0.03)	(1.9%)

[1]This represents a total data centre view, the majority of which has been classified a discontinuing operation in the Financial Statements.

[2]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

[3]Based on a total contract value weighted average of remaining lease years for global cloud/content provider contracts. Prior periods have been restated to reflect a change in reporting methodology, now considering the remaining contract terms rather than the contract length at commencement.

[4]Includes contracted and reserved racks at dedicated data centres and exchanges.

Analysis & KPIs - Cloud

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Cloud revenue[1]	105	103	109	116	118	117	225	235	10	4.4%
Cloud product costs[1]	(39)	(33)	(38)	(47)	(61)	(50)	(85)	(111)	(26)	(30.6%)
Cloud gross margin	66	70	71	69	57	67	140	124	(16)	(11.4%)
Cloud gross margin%	62.9%	68.0%	65.1%	59.5%	48.3%	57.3%	62.2%	52.8%	(9.4pp)	

[1]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Analysis & KPIs - IT services

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Service management revenue[1]	76	79	68	64	61	55	132	116	(16)	(12.1%)
Security revenue	11	20	12	12	11	17	24	28	4	16.7%
Service management and security revenue	87	99	80	76	72	72	156	144	(12)	(7.7%)
Service management and security product costs	(14)	(19)	(14)	(28)	(23)	(26)	(42)	(49)	(7)	(16.7%)
Service management and security gross margin	73	80	66	48	49	46	114	95	(19)	(16.7%)
Service management and security gross margin %	83.9%	80.8%	82.5%	63.2%	68.1%	63.9%	73.1%	66.0%	(7.1pp)	

[1]Spark has made minor reclassifications of segment revenues and costs between IT products, IT services, and data centres to more accurately reflect how these products are viewed. There is no change to the overall Spark reported result because of these changes.

Analysis & KPIs - Procurement and partners

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Procurement and partners revenue	319	265	339	209	332	206	548	538	(10)	(1.8%)
Procurement and partners product costs	(292)	(225)	(315)	(168)	(307)	(166)	(483)	(473)	10	2.1%
Procurement and partners gross margin	27	40	24	41	25	40	65	65	-	-%
Procurement and partners gross margin %	8.5%	15.1%	7.1%	19.6%	7.5%	19.4%	11.9%	12.1%	0.2pp	

Spark New Zealand

Statement of cash flows

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Cash flows from operating activities										
Receipts from customers	1,975	1,815	1,972	1,739	1,977	1,717	3,711	3,694	(17)	(0.5%)
Receipts from interest	16	13	13	15	15	14	28	29	1	3.6%
Payments to suppliers and employees	(1,460)	(1,270)	(1,519)	(1,134)	(1,566)	(1,145)	(2,653)	(2,711)	(58)	(2.2%)
Payments for income tax	(120)	(70)	(101)	(88)	(78)	(108)	(189)	(186)	3	1.6%
Payments for interest on debt	(23)	(32)	(31)	(49)	(46)	(44)	(80)	(90)	(10)	(12.5%)
Payments for interest on leases	(15)	(22)	(23)	(23)	(24)	(26)	(46)	(50)	(4)	(8.7%)
Payments for interest on leased customer equipment assets	(4)	(3)	(4)	(3)	(3)	(3)	(7)	(6)	1	14.3%
Net cash flows from operating activities	369	431	307	457	275	405	764	680	(84)	(11.0%)
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment	1	10	14	20	2	-	34	2	(32)	(94.1%)
Proceeds from sale of business	894	(1)	-	4	-	8	4	8	4	100.0%
Proceeds from long-term investments	-	-	-	7	-	326	7	326	319	NM
Receipts from finance leases	1	2	1	-	-	-	1	-	(1)	(100.0%)
Receipts from loans receivable	-	11	10	-	3	-	10	3	(7)	(70.0%)
Payments for purchase of business, net of cash acquired	-	-	(2)	(3)	(2)	-	(5)	(2)	3	60.0%
Payments for, and advances to, long-term investments	(2)	(1)	(1)	-	-	-	(1)	-	1	100.0%
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(246)	(229)	(347)	(235)	(228)	(204)	(582)	(432)	150	25.8%
Payments for spectrum intangible assets	-	(6)	-	(8)	-	(10)	(8)	(10)	(2)	(25.0%)
Payments for capitalised interest	(5)	(4)	(6)	(4)	(4)	(3)	(10)	(7)	3	30.0%
Net cash flows from investing activities	643	(218)	(331)	(219)	(229)	117	(550)	(112)	438	79.6%
Cash flows from financing activities						-				
Net proceeds from/(repayments of) debt	(517)	54	489	21	190	(387)	510	(197)	(707)	NM
Payments for dividends	(234)	(252)	(249)	(245)	(160)	(142)	(494)	(302)	192	38.9%
Payments for share buy-back	-	(146)	(159)	-	-	-	(159)	-	159	100.0%
Payments for leases	(31)	(33)	(38)	(40)	(44)	(48)	(78)	(92)	(14)	(17.9%)
Receipts from lease incentive	-	-	-	-	22	-	-	22	22	NM
Payments for leased customer equipment assets	(15)	(22)	(20)	(14)	(11)	(13)	(34)	(24)	10	29.4%
Net cash flows from financing activities	(797)	(399)	23	(278)	(3)	(590)	(255)	(593)	(338)	NM
Net cash flows	215	(186)	(1)	(40)	43	(68)	(41)	(25)	16	39.0%
Opening cash position	71	286	100	99	59	102	100	59	(41)	(41.0%)
Closing cash position[1]	286	100	99	59	102	34	59	34	(25)	(42.4%)

[1]H1 FY25 closing cash position includes cash of $100m and cash classified as assets held for sale of $2m.

Analysis & KPIs - Free cash flows and movement in working capital

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Reported EBITDAI	1,036	674	519	622	406	647	1,141	1,053	(88)	(7.7%)
EBITDAI from discontinuing operations	6	6	11	11	13	12	22	25	3	13.6%
Adjusting items and non cash other gains	(536)	(11)	(20)	(58)	6	(54)	(78)	(48)	30	38.5%
EBITDAI for free cash flow	506	669	510	575	425	605	1,085	1,030	(55)	(5.1%)
Less										
Cash paid on maintenance capital expenditure	(200)	(128)	(261)	(89)	(169)	(124)	(350)	(293)	57	16.3%
Cash paid on interest	(26)	(44)	(45)	(60)	(58)	(59)	(105)	(117)	(12)	(11.4%)
Cash paid on tax payments	(120)	(70)	(101)	(88)	(78)	(108)	(189)	(186)	3	1.6%
Cash paid on leases	(45)	(53)	(57)	(54)	(43)	(61)	(111)	(104)	7	6.3%
Total cash payments on items above	(391)	(295)	(464)	(291)	(348)	(352)	(755)	(700)	55	7.3%
Free cash flow	115	374	46	284	77	253	330	330	-	-%
Change in working capital										
Change in receivables	59	(126)	27	(78)	80	(57)	(51)	23	74	NM
Change in payables	(3)	53	(20)	65	41	(50)	45	(9)	(54)	NM
Change in inventory	(1)	28	(27)	18	(25)	32	(9)	7	16	NM
Change in contract assets	(3)	(30)	(8)	12	(6)	4	4	(2)	(6)	NM
Change in prepayments (excluding CAPEX)	(22)	31	(45)	36	(66)	58	(9)	(8)	1	11.1%
Total change in working capital - (increase)/decrease	30	(44)	(73)	53	24	(13)	(20)	11	31	NM
Cash paid on growth capital expenditure	(51)	(105)	(92)	(140)	(57)	(70)	(232)	(127)	105	45.3%
Free cash flow including working capital and growth cash capex	94	225	(119)	197	44	170	78	214	136	NM

Analysis & KPIs - Reconciliation to new free cash flow definition

	H1 FY23	H2 FY23	H1 FY24	H2 FY24	H1 FY25	H2 FY25	FY24	FY25	FY25 vs FY24	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Adjusted free cash flow (FY25 definition)	115	374	46	284	77	253	330	330	-	-%
Include: Working capital	30	(44)	(73)	53	24	(13)	(20)	11	31	NM
Additional BAU cash capex	-	-	-	-	-	- 0	-	-	-	NM
Adjusted free cash flow (new definition)	145	330	(27)	337	101	240	310	341	31	10.0%

Spark New Zealand

Group capital expenditure (Capex)

Maintenance Capex[1]	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Cloud	(11)	(8)	(24)	(13)	(9)	(2)	(37)	(11)	26	70.3%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(26)	(65)	(63)	2	3.1%
IT systems	(62)	(54)	(80)	(67)	(73)	(75)	(147)	(148)	(1)	(0.7%)
Mobile network	(77)	(21)	(65)	(24)	(91)	(29)	(89)	(120)	(31)	(34.8%)
Property	(11)	(12)	(7)	(4)	(4)	(3)	(11)	(7)	4	36.4%
Other	(4)	(6)	(4)	(6)	(1)	-	(10)	(1)	9	90.0%
Total maintenance capex excluding spectrum	(200)	(159)	(235)	(124)	(215)	(135)	(359)	(350)	9	2.5%
Growth Capex[1]										
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(28)	(106)	(51)	55	51.9%
Data centres	(50)	(64)	(19)	(22)	(14)	(14)	(41)	(28)	13	31.7%
Converged Tech	-	-	-	(12)	-	-	(12)	-	12	100.0%
Total growth capex excluding spectrum	(50)	(106)	(51)	(108)	(37)	(42)	(159)	(79)	80	50.3%
Total capex excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Mobile spectrum	-	-	(23)	-	-	-	(23)	-	23	100.0%
Total capex including spectrum	(250)	(265)	(309)	(232)	(252)	(177)	(541)	(429)	112	20.7%
Cash Capex										
Growth	(51)	(105)	(92)	(140)	(57)	(70)	(232)	(127)	105	45.3%
Maintenance	(200)	(128)	(261)	(89)	(169)	(124)	(350)	(293)	57	16.3%
Total cash capex excluding spectrum	(251)	(233)	(353)	(229)	(226)	(194)	(582)	(420)	162	27.8%

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

[1]From FY26 maintenance and growth capex will be classified as BAU and strategic capex as illustrated below.

Group capital expenditure (Capex) - updated to align to new capital management framework

BAU Capex	H1 FY23 $m	H2 FY23 $m	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	FY24 $m	FY25 $m	FY25 vs FY24 $m	FY25 vs FY24 %
Cloud	(11)	(8)	(24)	(13)	(9)	(2)	(37)	(11)	26	70.3%
Fixed network & International cable capacity	(35)	(58)	(55)	(10)	(37)	(26)	(65)	(63)	2	3.1%
IT systems	(62)	(54)	(80)	(67)	(73)	(75)	(147)	(148)	(1)	(0.7%)
Mobile network	(77)	(21)	(65)	(24)	(91)	(29)	(89)	(120)	(31)	(34.8%)
Property	(11)	(12)	(7)	(4)	(4)	(3)	(11)	(7)	4	36.4%
Other	(4)	(6)	(4)	(6)	(1)	-	(10)	(1)	9	90.0%
5G Acceleration & SA Readiness	-	(42)	(32)	(74)	(23)	(28)	(106)	(51)	55	51.9%
Converged tech	-	-	-	(12)	-	-	(12)	-	12	100.0%
Total BAU capex excluding spectrum	(200)	(201)	(267)	(210)	(238)	(163)	(477)	(401)	76	15.9%
Strategic Capex										
Data centres	(50)	(64)	(19)	(22)	(14)	(14)	(41)	(28)	13	31.7%
Total capex excluding spectrum	(250)	(265)	(286)	(232)	(252)	(177)	(518)	(429)	89	17.2%
Mobile spectrum	-	-	(23)	-	-	-	(23)	-	23	100.0%
Total capex including spectrum	(250)	(265)	(309)	(232)	(252)	(177)	(541)	(429)	112	20.7%
Cash Capex										
BAU	(201)	(169)	(334)	(207)	(212)	(162)	(541)	(374)	167	30.9%
Strategic	(50)	(64)	(19)	(22)	(14)	(32)	(41)	(46)	(5)	(12.2%)
Total cash capex excluding spectrum	(251)	(233)	(353)	(229)	(226)	(194)	(582)	(420)	162	27.8%

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

Spark New Zealand

Reconciliation of reported to adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes one-off significant items (such as gains, expenses and impairments) individually greater than $25 million. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts were deemed significant to adjust. In the year ended 30 June 2024, the tax effects resulting from the government change to tax depreciation rules for buildings effective for Spark from 1 July 2024 of $26 million was deemed a significant item to adjust. Adjusted revenue, expenses, EBITDAI and NPAT include the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

FY25	**Reported (continuing operations)**	**Discontinuing operations[1]**	**Adjusting items[2]**	**Total adjusted**
Operating revenues and other gains	3,725	46	(71)	3,700
Operating expenses	(2,672)	(21)	53	(2,640)
Total EBITDAI	**1,053**	**25**	**(18)**	**1,060**
Net finance income	(118)	0	-	(118)
Depreciation and amortisation	(590)	(14)	-	(604)
Net investment income	2	-	-	2
Total net earnings before tax	**347**	**11**	**(18)**	**340**
Net tax expense	(95)	(3)	(15)	(113)
Net earnings	**252**	**8**	**(33)**	**227**

FY24	**Reported (continuing operations)**	**Discontinuing operations[1]**	**Adjusting items[3]**	**Total adjusted**
Operating revenues and other gains	3,820	41	-	3,861
Operating expenses	(2,679)	(19)	-	(2,698)
Total EBITDAI	**1,141**	**22**	**-**	**1,163**
Net finance income	(114)	-	-	(114)
Depreciation and amortisation	(512)	(15)	-	(527)
Net investment income	(8)	-	-	(8)
Total net earnings before tax	**507**	**7**	**-**	**514**
Net tax expense	(196)	(2)	26	(172)
Net earnings	**311**	**5**	**26**	**342**

[1]The data centre business has been classified as a discontinuing operation in FY25, see note 1.5 of the financial statements for further details.

[2]Adjustments for the gain on sale of Connexa of $71m other gains and the $53m one-off costs in association with the implementation of SPK-26 Operate Programme.

[3]Adjustment for tax effects of zero-rating of tax depreciation on buildings.

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Corporate Governance Statement FY25

Annual Corporate Governance Statement FY25

The Board and management of Spark New Zealand Limited (Spark) are committed to maintaining high standards of corporate governance. Spark's governance structures and processes are regularly reviewed and assessed by the Board to ensure that they are consistent with international best practice.

Spark is required to report against the NZX Corporate Governance Code (**NZX Code**) and as part of its commitment to best practice governance, has elected to take into consideration and substantially complies with the ASX Corporate Governance Council's Principles and Recommendations (the Fourth Edition).

This statement is a snapshot view of Spark's practices, processes and policies measured against the principles of the NZX Code for the period from 1 July 2024 to 30 June 2025. It was approved by the Board on 19 August 2025 and is accurate as at that date.

Justine Smyth, CNZM
Chair

PRINCIPLE 1:

Ethical Standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Recommendation 1.1

The Board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).

Spark has an integrated company-wide compliance framework. A Code of Ethics (which applies to all employees) and Directors' Code of Ethics, together set out the standards by which our people are expected to conduct themselves.

These Codes provide guidance on decision-making and set out to instill a culture of acting lawfully, ethically, and responsibly. The Code of Ethics contains links to Spark's core policies, and details our values and expected behaviours. It also sets out Spark's approach to conflicts of interest, bribery and corruption, gifts and hospitality, confidentiality, use of assets and information, and compliance with laws. Also set out in the codes are Spark's compliance escalation procedures that are designed to be used to report breaches of Spark's legal obligations, the Codes themselves, or other Spark policies. Any breaches can be reported either through Spark's 'Honesty Box' confidential whistle-blowing online portal or direct to the CEO or Digital Trust team.

Training on Spark's Code of Ethics and how to apply these is compulsory for all employees and delivered through a series of online modules within Spark's learning management system. This training forms part of the onboarding journey for new employees, and annual completion of the module for existing employees is required to maintain compliance. We reinforce this training through regular reminders from People Leaders and broader internal communication across the business. The module content is reviewed annually and updated to reflect any code/policy changes, if necessary. We also embed relevant aspects of the Code into Spark 'plays'. Plays are one-page online guides on how to carry out common activities at Spark. The Directors' Code of Ethics is provided to new directors as part of their induction.

Recommendation 1.2

An issuer should have a financial product dealing policy which applies to employees and directors.

Spark's Insider Trading Policy and Disclosure Policy (together with the associated procedures for implementation) are two core policies that address the treatment of material information and trading in Spark and other issuers' financial products while in possession of material information.

These policies apply to all directors, senior managers and employees of the Spark group of companies.

The Code of Ethics, Directors' Code of Ethics, Insider Trading Policy and the Disclosure Policy can be found at:
spark.co.nz/governance

PRINCIPLE 2:

Board composition and performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Recommendation 2.1

The Board of an issuer should operate under a written charter which sets out the roles and responsibilities of the Board. The Board charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and management.

The Board of Directors is elected by shareholders to protect and enhance the value of the assets of Spark in the interests of Spark and its shareholders. The Board has statutory responsibility for the affairs and activities of Spark, which in practice is achieved through delegation to the Chief Executive Officer (CEO) and those who are charged with the day-to-day leadership and management of Spark. The CEO has formally delegated certain authorities to direct reports and has established an empowerment (delegated authority) framework that sets out decision rights at Spark.

More information regarding the respective roles and responsibilities of the Board and management is set out in the Board Charter.

The Board regularly reviews and assesses Spark's governance structures and processes to ensure that they are consistent with international best practice in both form and substance.

The Board Charter can be found at:
spark.co.nz/governance

Recommendation 2.2

Every issuer should have a procedure for the nomination and appointment of directors to the Board.

The procedures for the appointment and removal of directors are governed by Spark's constitution, the Companies Act 1993 and relevant stock exchange listing rules.

Recommendations for nominations of new directors are generally made by the Nominations and Corporate Governance Committee (NOMs) and considered by the Board as a whole. External consultants are from time to time used to access a wide base of potential candidates and to review and provide input on the suitability of candidates for appointment.

When recommending a candidate to act as director, the NOMs takes into account factors including the candidate's experience, qualifications, and personal qualities. In doing so Spark will undertake appropriate checks, including as to the candidate's character, education, criminal record, and bankruptcy history. The NOMs will review the candidate's skills and experience relative to the Board skills matrix to determine whether they will augment the existing Board skillset and assess their availability to commit themselves to the role.

If the Board appoints a new Director during the financial year, that person will stand for election by shareholders at the next annual meeting. Shareholders are provided with relevant information on the candidates standing for election in the notice of meeting.

Recommendation 2.3

An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

Each Director has a signed letter of appointment or employment agreement setting out the terms of their appointment, including their duties, terms, conditions of appointment, expectations of the role, and remuneration. Spark directors have no fixed term of office but are subject to the retirement provisions contained in Spark's constitution and relevant stock exchange listing rules.

PRINCIPLE 2:

Board composition and performance (continued)

Recommendation 2.4

Every issuer should disclose information about each director in its annual report or on its website, including:

a. **a profile of experience, length of service and ownership interests;**

b. **the director's attendance at board meetings; and**

c. **the Board's assessment of the director's independence, including a description as to why the Board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.**

A biography of each Board member can be found on Spark's website, see spark.co.nz/leadership, with key information about each Board member also outlined on page 20 of the FY25 Annual Report.

The Board skills matrix that outlines the qualifications, capabilities, geographical location, tenure, and gender of each member of the Board can be found in the Governance section of the FY25 Annual Report.

Board and Committee meeting attendance can be found on page 57 of the FY25 Annual Report.

The Board's statement regarding Director independence can be found on page 56 of the FY25 Annual Report.

Recommendation 2.5

An issuer should have a written diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An Issuer within the S&P/NZX20 Index at the commencement of its reporting period should have a measurable objective for achieving gender diversity in relation to the composition of its Board, that is to have not less than 30% of its directors being male, and not less than 30% of its directors being female, within a specified period. An issuer should disclose its diversity policy or a summary of it.

Spark's Board believes that diverse teams and diversity of thought are essential for driving strategic growth, enhancing customer experience, and improving overall business performance.

Spark's commitment to diversity, equity, and inclusion is a strategic business priority, and there is an ongoing focus on attracting, retaining, and progressing a diverse range of people across the business. We have measurable ambitions to improve female representation, lift Māori and Pasifika participation, and reduce our median gender pay gap, and these are reported on annually.

For our people, Diversity and Inclusion at Spark is symbolised through the Blue Heart programme, which celebrates the many cultures and communities that our people are a part of, and supports them to build their own cultural competency through a range of learning and professional development opportunities.

Spark's Diversity and Inclusion Policy sets out the requirement for the Board to set and review measurable objectives for achieving diversity each year. As a baseline for measurable objectives for diversity of Board composition, the policy requires Spark has an objective of, or in excess of, that the composition of the Board is not to have less than 30% of its directors being male and not less than 30% of its directors being female, within a specified period.

The Human Resources and Compensation Committee (HRCC) annually reviews and reports to the Board on the relative proportion of gender diversity that makes up Spark's workforce and recommends objectives to the Board, assesses progress towards these objectives and ensures transparency through disclosures in the Annual Report.

Further details on 'Diversity, equity and inclusion' at Spark, and reporting on our workforce demographics, can be found in the 'Our People' section of the FY25 Annual Report.

A copy of Spark's Diversity and Inclusion policy can be found at:
spark.co.nz/governance

PRINCIPLE 2:

Board composition and performance (continued)

Recommendation 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

The Board introduces new directors to management and business operations through tailored induction programmes designed to meet individual requirements. Directors receive regular updates on pertinent industry developments and company matters, which include site visits to Spark facilities and briefings from key members of the Leadership Squad or external experts. The Board expects all directors to undertake continuous education so that they may appropriately and effectively perform their duties.

Recommendation 2.7

The Board should have a procedure to regularly assess director, board and committee performance.

The Board regularly discusses governance and performance and annually reviews its own performance as a whole against the Board Charter and each Committee's performance against its Charter. The Chair meets with directors to discuss the performance of each director individually.

Board evaluations are undertaken annually to seek director and Leadership Squad feedback on a range of matters relating to Board performance, including its role and composition and engagement with management, shareholders and stakeholders. The collective results of the evaluation are then reported to the Board by the Chair and discussed individually with directors. The last Board evaluation review was undertaken in June 2025.

Recommendation 2.8

A majority of the Board should be independent directors.

Spark's Board Charter requires that a majority of directors be independent. When assessing independence, the Board will consider whether a Director is free of material relationships with Spark (other than as a director) and other entities, and people who could influence, or could reasonably be perceived to influence, the Director's capacity to exercise independent judgement and act in the best interests of Spark and Spark's shareholders generally. The mere existence of a relationship with Spark, or a customer or supplier, may not necessarily mean that the Director is not independent. Rather, the Board will assess each relationship on a case-by-case basis to determine whether it is material and might compromise the independence, or perceived independence, of the director. The Board will also consider the tenure of each Director when assessing independence and succession planning.

Recommendation 2.9

An issuer should have an independent chair of the Board.

The Chair is elected by the Board. The Chair's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the CEO. The current Chair, Justine Smyth, is a Non-executive and Independent Director as required by the Board Charter. The Board does not have a Deputy Chair.

Recommendation 2.10

The chair and the CEO should be different people.

The Board supports the separation of the roles of Chair and the CEO. The current CEO Jolie Hodson, is an Executive Director.

PRINCIPLE 3:

Board committees

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

Spark's Board establishes committees to assist in the execution of the Board's responsibilities. Board committees do not act or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The current committees of the Board are:

- Audit and Risk Management Committee (ARMC);
- Human Resources and Compensation Committee (HRCC); and,
- Nominations and Corporate Governance Committee (NOMs).

Other committees may be established from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

Recommendation 3.1

An issuer's audit committee should operate under a written charter. An audit committee should only comprise non-executive directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The chair of the audit committee should be an independent director and not the chair of the Board.

The Board has delegated responsibility to the ARMC for reviewing Spark's principal risks on an at least annual basis. This ensures an established risk management framework that:

- includes policies and procedures to effectively identify, treat, and monitor principal business risks;
- assesses the effectiveness of the risk management system and ensures it is fit for purpose; and
- monitors compliance with the risk management framework.

The ARMC is also tasked with ensuring the quality, credibility, and objectivity of Spark's accounting processes, including financial reporting. The ARMC will discuss interim financial statements with the Leadership Squad, including whether the reporting is consistent with the Committee members' information and knowledge and whether it is adequate for shareholder needs.

The ARMC is comprised solely of non-executive directors. The current Chair of the ARMC is Gordon MacLeod, who is an Independent Director with an accounting and financial background and is not the Chair of the Board.

The members of the ARMC and their key skills and capabilities can be found on pages 55 to 57 of the FY25 Annual Report.

Recommendation 3.2

Employees should only attend audit committee meetings at the invitation of the audit committee.

Spark management and employees can only attend ARMC meetings at the invitation of the Committee.

Recommendation 3.3

An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole Board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

The HRCC is responsible for reviewing Spark's remuneration policy and practices, as well as Spark's overall human resources strategy, structure, policy, and practices. The remuneration of directors is reviewed by the HRCC – taking account of Spark's size and complexity and the responsibilities, skills, performance, and experience of the directors – with recommendations made to the Board for approval.

The HRCC is comprised of a majority of independent directors.

Spark management and employees can only attend HRCC meetings at the invitation of the Committee.

Recommendation 3.4

An issuer should establish a nomination committee to recommend director appointments to the Board (unless this is carried out by the whole Board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

The NOMs role is to identify and recommend to the Board, individuals for nomination as members of the Board, and its committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement, and personal qualities); and to develop and review Spark's corporate governance principles, and make recommendations to the Board. The NOMs is also responsible for reviewing Board succession planning.

The NOMs is comprised of a majority of independent directors.

PRINCIPLE 3:

Board committees (continued)

Recommendation 3.5

An issuer should consider whether it is appropriate to have any other Board committees as standing committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

Each Board Committee has a Charter summarising the role, rights, responsibilities and membership requirements for that Committee. The Board reviews the charters of the Board committees annually and their performance against those charters, with the last review conducted in October 2024.

The Board is responsible for appointing committee members and chairs according to the skills, experience, and other qualities they bring to the Committee. All Board committees are comprised of a majority of independent directors. A Committee Chair is entitled to invite persons to attend Committee meetings as deemed necessary.

Specific Committee memberships and attendance information are outlined on page 57 of the FY25 Annual Report.

The Board committee charters can be found at:
spark.co.nz/governance

Recommendation 3.6

The Board should establish appropriate protocols that set out the procedure to be followed if there is a 'control transaction' for the issuer including the procedure for any communication between the issuer's Board and management and the bidder. The Board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent control transaction committee, and the likely composition and implementation of an independent control transaction committee.

Spark's Board has put in place Takeover Response Guidelines that set out the procedures and protocols to be followed if there is a control transaction offer for Spark, including with regards to communication between insiders and the bidder, the preparation of an independent advisor's report, and establishment of a Bid Response Sub-committee.

PRINCIPLE 4:

Reporting and disclosure

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

Recommendation 4.1

An issuer's Board should have a written continuous disclosure policy.

Spark is committed to providing timely, orderly, consistent and credible information consistent with legal and regulatory requirements. Pursuant to its Disclosure Policy, Spark has an appointed Disclosure Officer to authorise all financial market communications. Together with the Company Secretary, the Disclosure Officer is responsible for overseeing Spark's disclosure practices and ensuring that all material information is lodged promptly and without delay with the relevant stock exchanges, and ensuring that the Board is kept informed of the nature and quality of the information being disclosed to the market.

Authorised spokespeople are restricted to reduce the risk of inconsistent communications and to ensure that public comments are within the bounds of information already in the public domain and/or information that is not materially price sensitive.

Recommendation 4.2

An issuer should make its code of ethics, Board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Spark's website has a dedicated governance section that contains Spark's policies that outline its core governance structures and processes. This includes the Code of Ethics, Board Charter (and the charters of the various committees), Disclosure Policy, Insider Trading Policy, Diversity and Inclusion Policy, Director and Executive Remuneration Policies and other principal corporate governance documents: spark.co.nz/governance

Recommendation 4.3

Financial reporting should be balanced, clear and objective.

Spark's financial reports are prepared in a manner that is balanced, clear and objective. The financial statements in the Annual Report are prepared in accordance with NZ GAAP and comply with NZ IFRS.

The Board requires that, prior to its approval of financial statements, the CEO and CFO make a declaration that, in their opinion, Spark's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Spark; and that their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Recommendation 4.4

An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

In addition to the published financial statements, Spark's FY25 Annual Report provides information on Spark's performance on a number of non-financial matters, including environmental, social and governance commitments. Spark's FY25 Annual Report applies the Integrated Reporting International <IR> Framework and with the Global Reporting Initiative (GRI) standards. For FY25 Spark has also published a stand-alone Climate-related Disclosures Report which has been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB). The Climate-related Disclosures Report also integrates our FY25 Greenhouse Gas Inventory Report. Spark's FY25 Modern Slavery and Human Rights Statement is also published alongside this Corporate Governance Statement as part of our FY25 annual reporting disclosures.

PRINCIPLE 5:

Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Recommendation 5.1

An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

The HRCC is responsible for Spark's remuneration policy and practices and is also ultimately responsible for ensuring Spark meets legislative and regulatory requirements as they relate to remuneration matters.

Spark is committed to ensuring that the remuneration of directors is transparent, fair, and reasonable. The total fees available to be paid to directors are subject to shareholder approval.

Non-executive Director remuneration is determined with consideration of the size and complexity of Spark and relative market activity. From time-to-time, independent consultants are engaged for benchmarking purposes to ensure that the remuneration of Spark's non-executive directors is appropriate and comparable to that of similar companies in New Zealand and, as relevant, Australia. Non-executive directors are also expected to purchase and hold an amount of Spark shares within the first three years of their appointments.

Jolie Hodson, as an Executive Director, does not receive any director fees.

Further details on Non-executive Director remuneration can be found in the Remuneration Report on page 53 of the FY25 Annual Report.

Further details on directors' Spark shareholdings can be found on pages 59 and 60 of the FY25 Annual Report.

Recommendation 5.2

An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.

The Leadership Squad's remuneration consists of a fixed remuneration component and at-risk short-term and long-term incentives. Spark's short-term incentive (STI) rewards senior leaders for the achievement of annual performance objectives, with payments awarded from a fixed cash pool that is set based on overall Spark performance against financial and/or non-financial annual performance objectives. Spark believes that senior leaders should have part of their remuneration linked to the long-term performance of Spark.

For the Leadership Squad and a select group of senior leaders, a long-term incentive, which vests after three years contingent on continued employment and Spark achieving a performance hurdle, forms part of their remuneration packages. Leadership Squad members will also participate in our one-off FY27 transformation delivery incentive.

Further details on Leadership Squad remuneration can be found in the Remuneration Report on page 50 of the FY25 Annual Report.

Recommendation 5.3

An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

The CEO's remuneration package reflects the scope and complexity of the role and is set by the Board, with reference to the remuneration of CEOs of similarly sized organisations. For FY25 the CEO's remuneration package comprises a fixed cash component, an at-risk short-term incentive and an at-risk long-term incentive. The CEO will also participate in our one-off FY27 transformation delivery incentive.

The CEO's annual cash-based short-term incentive is subject to the achievement of specific performance objectives set by the Board based on Spark's strategy and business plan for the respective financial year. The CEO's annual long-term incentive will be granted as options under Spark's long-term incentive (LTI), contingent on continued employment and Spark achieving a performance hurdle. The CEO is also expected to purchase and hold an amount of Spark shares.

Further details on CEO remuneration can be found in the Remuneration Report on page 50 of the FY25 Annual Report.

For more details on Director and Executive remuneration please see the Remuneration Report in the FY25 Annual Report.

A copy of Spark's Director Remuneration Policy and Executive Remuneration Policy can be found at: spark.co.nz/governance

PRINCIPLE 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 material risks."

Recommendation 6.1

An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Spark's Agile organisation design and practices empower its people to make decisions and manage the risks associated with achieving Spark's strategy and business objectives. Strong corporate governance, including a highly effective and integrated risk management framework, helps Spark people to make good business decisions that create stakeholder value.

Spark's Managing Risk Policy and Framework is benchmarked to the COSO ERM 2017, a leading enterprise risk management standard, and is designed on the principles that managing risk creates, protects, and enhances value. It is embedded in decision-making processes and accountability structures so that uncertainty and risks can be managed effectively. It is iterative and responsive to change so that it remains effective when external and internal forces require Spark to adapt its priorities and operating models.

The ARMC plays an important role and is responsible for ensuring that Management has established a risk management framework. Spark's Risk team is accountable for designing and managing this framework and provides the ARMC with regular updates about its performance and evolution. The framework is structured around the three lines of defence model, ensuring that risk ownership, oversight and independent assurance are clearly delineated across Spark.

The ARMC reviews management's principal risk profile (Spark's material risks) bi-annually. It also receives reports on the effectiveness of the implementation and operation of the policies and systems designed to manage risk. The ARMC receives quarterly reporting from the Risk, Internal Audit and Fraud Lead that discusses progress against the approved Risk, Internal Audit and Fraud Plan. Information reported includes the priorities, updates about the evolution of the Managing Risk Framework, findings from its internal audit reviews, updates about the status of previously raised items, and fraud risk management.

The ARMC receives an annual assessment to confirm the Managing Risk Framework is designed and operating effectively. The last assessment was undertaken by Spark's Risk team in August 2024.

Every five years Spark also has its Managing Risk Framework externally reviewed to ensure it continues to be fit for purpose and is operating effectively. The next review is scheduled to be completed by November 2027.

A summary of Spark's Managing Risk Framework and Spark's identified principal business risk themes and mitigations are outlined in the 'Risk management' section of the FY25 Annual Report.

Recommendation 6.2

An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Spark is committed to fostering a workplace where our people, partners, and suppliers are accountable and empowered to work together to protect and promote the health, safety, and wellbeing of all. To achieve this Spark has established four pillars of health and safety: a clearly defined Health and Safety framework; active hazard and risk management; development of an employee-driven safety culture; and the right resources and processes to deliver on the framework. Integral to the framework is the health and safety Information System, which shapes and monitors key performance indicators across the business, focussing on Spark's strategic objectives, targets, and managing critical hazards and risks. The Board and Leadership Squad are both integrally involved in health and safety strategic planning, implementation, and monitoring. Spark has also integrated wellbeing into its health and safety approach to make sure that we consider the full range of factors that contribute to healthy and safe working lives at Spark. This framework is a key part of building safe, healthy, and inclusive environment for our people.

Further details regarding Spark's health and safety performance can be found in the 'Our People' section of the FY25 Annual Report.

A copy of Spark's Managing Risk Policy can be found at: spark.co.nz/governance

PRINCIPLE 7:

Auditors

"The Board should ensure the quality and independence of the external audit process."

Recommendation 7.1

The Board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:

(a) for sustaining communication with the issuer's external auditors;

(b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;

(c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and

(d) to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

Oversight of Spark's external audit arrangements is the responsibility of the ARMC. The External Auditor Independence Policy and ARMC Charter, together, establish a framework for Spark's engagement with the external auditor. The objective of this framework is to ensure that audit independence is maintained, both in fact and appearance, such that Spark's external financial reporting is viewed as being highly reliable and credible.

The ARMC is responsible for the appointment of Spark's external auditor, its terms of engagement, and the level of fees incurred (subject to shareholder approval). The ARMC Charter outlines the nature of the services permitted to be performed and those not permitted to be performed by the external auditor.

The ARMC Charter requires that the Committee annually assesses and confirm to the Board the independence of the external auditor after consideration of the External Auditor Independence Policy criteria. Regular rotation of the external audit firm is not mandated, however, rotation of the key audit partner of Spark is required, and occurs every five years.

Procedures for communication between the ARMC, the External Auditor and Management are set out in the ARMC Charter.

The Audit and Risk Management Committee Charter and the External Auditor Independence Policy can be found at:
spark.co.nz/ governance

Recommendation 7.2

The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

Representatives of Spark's external auditor are available at Spark's annual meeting to answer shareholder questions about the conduct of the audit and the content of the External Auditor's reports.

Recommendation 7.3

Internal audit functions should be disclosed.

The Spark Internal Audit Team's primary objective is to assist the Board and CEO to exercise good governance by providing independent assurance on Spark's control and risk management processes. The ARMC approves the appointment and oversees the performance of Spark's Risk, Internal Audit and Fraud Lead, who is accountable for leading Internal Audit and reports directly to the Chair of the ARMC. The Internal Audit Charter defines the objectives, scope, independence, responsibilities, and authority. Internal Audit is independent from the activities and operations it audits and has unrestricted access to Spark's records and employees.

Internal Audit regularly performs audits across Spark. It works to an annual Risk, Internal Audit and Fraud Plan that outlines the risk themes, objectives, and key results over the plan year. The ARMC approves this plan and ensures that the Internal Audit is appropriately staffed and that its scope of work is appropriate for the key risks facing Spark. Priorities for each quarter are approved following consultation with the ARMC and other relevant stakeholders, such as members of the Leadership Squad.

PRINCIPLE 8:

Shareholder rights and relations

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Spark is committed to promoting a fair and transparent market through comprehensive continuous disclosure, and ensuring our shareholders are able to exercise their rights in an informed manner.

Spark's Disclosure Policy and associated procedures governs communications with shareholders and other stakeholders. All material information is lodged promptly and without delay with the relevant stock exchanges. Once lodged, the information will also be published on Spark's investor website, and shared with local media and other market commentators where appropriate. Spark may make available on its website any other relevant information made available to investors/analysts (e.g. presentation materials).

Recommendation 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Spark's website is an important avenue of communication with shareholders and other stakeholders. Spark maintains a dedicated investor website (investors.sparknz.co.nz) which contains market releases, financial information, current and past annual reports, investor presentations and webcasts, dividend and share price histories, notices of meeting, biographies of Spark directors and Leadership Squad, investor contacts, important calendar dates, and other information about Spark.

Recommendation 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.

Spark provides shareholders with the option to receive communications from, and send communications to, Spark electronically.

Spark is committed to maintaining multiple channels of shareholder communications and engagement, which currently includes:

1. Semi-annual earnings announcements via audio conference;
2. Semi-annual post-results briefings with investors in New Zealand and Australia;
3. Regular ad hoc one-on-one and group investor and analyst meetings;
4. An annual meeting with virtual participation via webcast and audio;
5. An Annual Report, Corporate Governance Statement, Modern Slavery and Human Rights Statement, and Climate-related Disclosures report;
6. Investor briefing days (where appropriate); and
7. Regular international investor roadshows.

Spark remains committed to maintaining its investment profile in key investment markets in the United State (US), United Kingdom (UK), Asia and Australasia to ensure that its strategies and opportunities are understood, and the market is fully informed.

All Spark shareholders are encouraged to participate in the annual meeting, including in person and virtually via an online annual meeting platform or audio conference, where shareholders can vote, ask questions, and watch the meeting via webcast. Shareholders can also electronically appoint and direct proxies to vote on their behalf at the annual meeting.

The annual meeting webcast will be archived on the Spark investor website after the meeting.

Recommendation 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

Spark is committed to ensuring that each shareholder who invests in Spark has the right to vote on major decisions that may change the nature of the company. All of Spark's shareholders have the right to one vote per share, and voting at the annual meeting is conducted by poll.

PRINCIPLE 8:

Shareholder rights and relations (continued)

Recommendation 8.4

If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Spark did not undertake any equity capital raises over the 12 months to 30 June 2025.

Recommendation 8.5

The Board should ensure that the notice of annual or special meeting of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the annual meeting.

Spark's Annual Meeting of Shareholders was held as a hybrid meeting on Friday, 1 November 2024. The Notice of Annual Meeting was published on Thursday, 3 October 2024.

Glossary

There are terms used in this document that may be unfamiliar. These are what each mean:

ARMC	Audit and Risk Management Committee
HRCC	Human Resources and Compensation Committee
LTI	Long-Term Incentive Scheme, which is part of Spark Leadership Squad and CEO remuneration
NOMs	Nominations and Corporate Governance Committee
NZ GAAP	Generally Accepted Accounting Practice in New Zealand
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
Spark	Spark New Zealand Limited
STI	Short-Term Incentive Scheme, which is part of Spark Leadership Squad and CEO remuneration

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Spark nz
hello tomorrow

Modern Slavery and Human Rights Statement FY25

Spark Modern Slavery and Human Rights Statement FY25

About this Statement

This Modern Slavery and Human Rights Statement is made on behalf of Spark New Zealand Limited ('Spark' and its subsidiaries, the 'Spark Group') for the period from 1 July 2024 to 30 June 2025. Spark New Zealand Limited is the parent entity of the Spark Group. Spark is publicly listed, and our issued shares are quoted on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX). (**NZX: SPK, ASX: SPK**).

Spark is a reporting entity for the purposes of the Modern Slavery Act 2018. Spark engaged and consulted with the relevant companies we own or control (the Spark Group) in the development of this Statement. As of 30 June 2025, the Spark Group comprised 28 controlled entities. See Appendix 1 for a full list of Spark subsidiaries.

We have integrated high-level disclosure on our broader human rights impacts alongside our detailed Modern Slavery Statement reporting. This Statement has been published in accordance with the requirements of the Australian Modern Slavery Act 2018. This Statement was approved by the Board on 19 August 2025.

Mandatory criteria of the Modern Slavery Act

Criterion	Reference
Identify the reporting entity	Page 2: About this statement
Describe the reporting entity's structure, operations and supply chains	Page 2: About this statement Pages 6 – 7: Spark's operations Page 26: Spark Group structure and subsidiaries
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 14 – 15: Due diligence Pages 16 – 23: Addressing potential impacts
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 14 – 15: Due diligence Pages 16 – 23: Addressing potential impacts
Describe how the reporting entity assesses the effectiveness of these actions	Pages 24 – 25: Reviewing effectiveness and reporting
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 2: About this statement Pages 10 – 12: Policies and governance Page 26: Spark Group structure and subsidiaries

Modern slavery is one of a number of important human rights topics Spark considers. We have chosen to report our modern slavery disclosures in the broader context of human rights.

Our governance, policies, and approach are shared across human rights topics. This is detailed in our **Human Rights and Modern Slavery Framework** on pages 8 – 9.

We report key **modern slavery** actions on pages 16 – 23. This includes how we address impacts in our **supply chain** and in **our operations**.

We also report specific actions against a number of **other human rights topics** related to the **downstream impacts of our products and services**. See pages 22 – 23.

This report focuses on the potential human rights impacts that have been identified through our **due diligence** processes. See pages 14 – 15.

We recognise human rights is a broad and complex topic, and that we need to continue to mature and **review the effectiveness of our approach**. See page 24.

Contents

CEO message

At Spark we respect the freedom and human rights of every individual, regardless of who they are or where they are from. We recognise that our potential human rights impacts could occur across our value chain, from upstream suppliers to our direct business operations, and downstream to the communities impacted by our operations and services.

Modern slavery is a complex human rights challenge impacting global supply chains. It includes the exploitation of any person in any form – including forced labour, debt bondage, forced marriage, slavery, human trafficking, or situations where an individual cannot leave due to threats, violence, or deception.

Within our direct workforce we are focused on not only complying with the letter and spirit of the law, but creating a highly engaged and inclusive culture. We want to provide fulfilling employment that rewards and recognises each individual fairly, and for all our people to feel comfortable bringing their full selves to work.

Jolie Hodson MNZM, CEO

We also source products and services from around the world, and partner with global companies to support our customers. This means our indirect workforce is large and diverse. We want to source our products and services from suppliers that provide safe working conditions, treat workers with respect and dignity, and conduct business in an environmentally and socially responsible manner. To achieve this, we are committed to ensuring we have the policies, processes, and practices in place to identify, prevent, mitigate, and remedy human rights issues when and where they occur. Because it is challenging for any individual business to influence the practices of so many varied organisations outside of its own, we work alongside our global peers through the Joint Alliance for CSR (JAC) to collaborate on solutions and increase our leverage in addressing these issues.

We also recognise that human rights considerations in our business extend beyond our people and supply chain, to the technologies we use, create, and deploy. As the capabilities of new technologies expand, particularly with rapid developments in Artificial Intelligence (AI), we recognise we must take a responsible and ethical approach to the design and operation of digital technologies.

This report provides a summary of our commitment to upholding human rights and addressing modern slavery risks across our value chain, including actions taken over the past year. We welcome feedback and collaboration, as we continue to mature our approach in the years ahead.

Ngā mihi nui,

Jolie Hodson MNZM
CEO

Modern slavery and human rights: timeline of key actions

FY17

- Introduction of Spark Supplier Code of Conduct

FY19

- First internal supplier audits conducted against Supplier Code of Conduct requirements

FY21

- First Modern Slavery Statement published (reporting on FY20 year)
- Spark ESG (Environmental, Social and Governance) squad established

FY22

- Spark joins global Joint Alliance for CSR (JAC) organisation
- Introduction of Spark Human Rights Policy following initial due diligence process
- Spark AI Principles published

FY23

- Supplier risk assessment developed to identify priority suppliers

FY25

- JAC audit programme continued with first audits of New Zealand-based suppliers
- New procurement management system selected to support formalised supplier due diligence processes
- Sustainability capability session delivered to customer-facing Enterprise and Government teams, raising awareness of potential customer-facing human rights risks
- Refresher human rights and modern slavery training delivered to Spark and Entelar Group supply chain teams
- Supplier self-assessment process continued for priority suppliers and partners

FY24

- First JAC third-party audits conducted on overseas supplier sites
- Human Rights and Supply Chain squad and steering committee established
- Human rights and modern slavery training developed and delivered to key teams
- First supplier self-assessment process initiated for priority suppliers

About Spark

Spark is New Zealand's largest telecommunications company. Our customers range from individual New Zealanders and households to small businesses, government, and large enterprise clients. Across all our services – mobile, broadband, digital services, and digital infrastructure – we have relevance for almost every New Zealander.

#1

Market share
in mobile and broadband[1]

Most reliable mobile network
with the widest coverage experience[2]

2.6m+
mobile connections

660k+
broadband connections

59
retail stores

99%
of New Zealanders reached by our 4G network

110k+
small-medium business customers

24
regional business hubs

50%+
of the population reached by our 5G network[4]

1,100+
enterprise and government customers

4,043
employees[3]

2,262
mobile sites housing our active infrastructure[5]

+40
customer net promoter score

23MW
Over 23MW data centre capacity

2.37m+
devices connected to our Internet of Things (IoT) network

1. IDC New Zealand mobile market share report as at 30 June 2025.
2. Opensignal Awards – **New Zealand: Mobile Network Experience Report, September 2024**, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.
3. Total headcount as of 30 June 2025. Spark FTE (full time employee) number is 3,847 as of 30 June 2025.
4. Towns with a population over 1,500.
5. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2025.

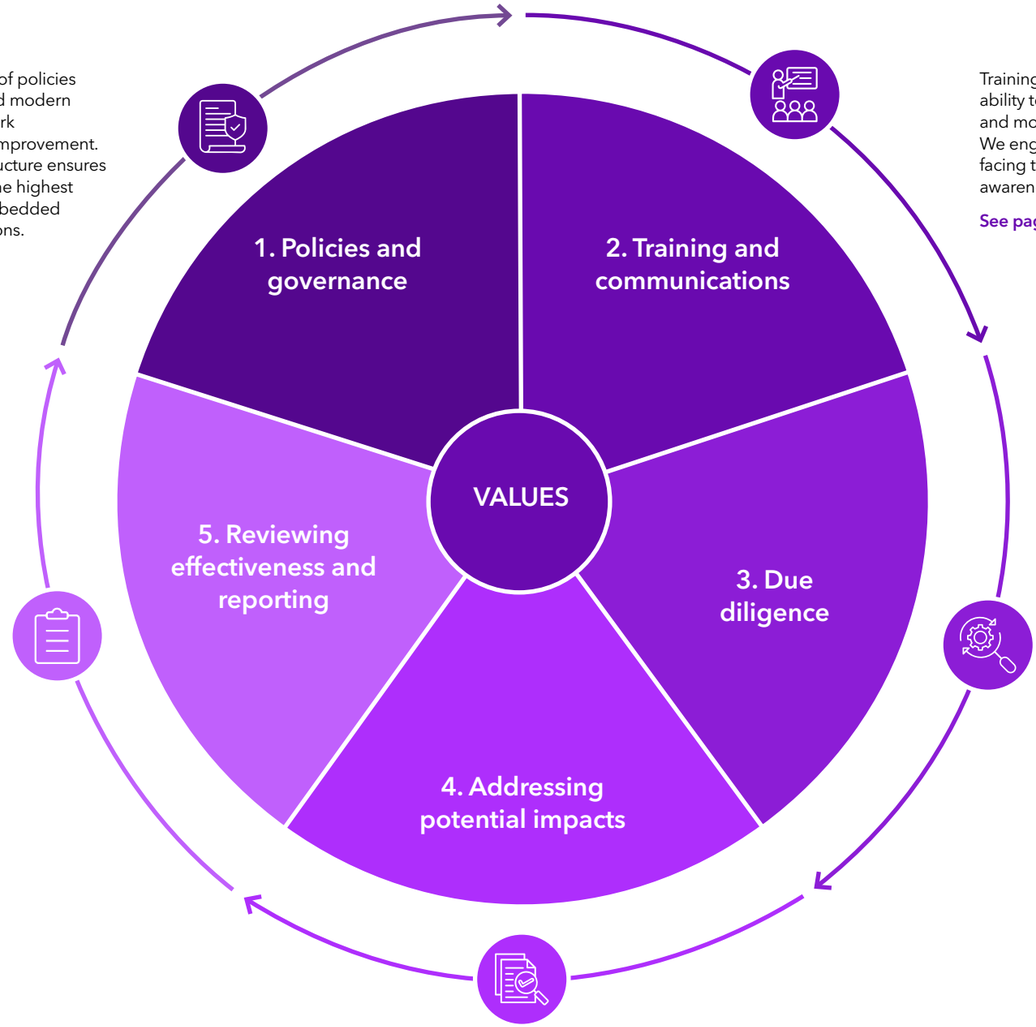
Our Human Rights and Modern Slavery Framework

Spark has policies and systems in place to assess, prevent, mitigate, and remedy instances of human rights or modern slavery violations as part of our overarching sustainability and risk management approach. This approach is outlined in our Framework, and forms part of our broader sustainability framework, and People and Culture practices.

Our Modern Slavery and Human Rights Statement is divided into five sections corresponding to the five elements of this framework.

Spark has a comprehensive suite of policies that support our human rights and modern slavery focus, with an ongoing work programme to drive continuous improvement. Our sustainability governance structure ensures that sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

See pages 10 – 12



Training and communications are critical to our ability to prevent and manage human rights and modern slavery risks across our business. We engage with key supplier and customer-facing teams to increase understanding and awareness of risk.

See page 13

We review progress against our Human Rights and Modern Slavery Programme through the Human Rights and Supply Chain Steering Committee, and report to the Leadership Squad and Board quarterly. We report publicly on our progress annually through this Statement and our broader Integrated Reporting.

See pages 24 – 25

We identify potential human rights and modern slavery risk areas through ongoing human rights due diligence processes, aligned to our annual sustainability materiality process and our principal risk assessment, alongside ongoing processes of supply chain risk assessment. We also have mechanisms in place to enable timely reporting of issues by our people.

See pages 14 – 15

Where we identify potential impacts, our overriding objective is to work alongside our suppliers, partners, and customers to address and remediate these issues. We address upstream risk in our supply chain through our Joint Alliance for CSR (JAC) supply chain audit programme, led internally by our Audit and Risk team. This includes tracking corrective actions to address any issues identified. We have mature processes in place to manage issues such as privacy. For emerging issues in our direct operations and downstream impacts, mitigation actions are agreed and tracked through the Human Rights and Supply Chain Steering Committee.

- Upstream impacts in our supply chain: **pages 16 – 20**
- Direct impacts in our operations: **pages 21 – 22**
- Downstream impacts of our products and services: **page 22 – 23**

1. Policies and governance

Our human rights and modern slavery work is driven by our Human Rights and Supply Chain squad. This squad is led by our Sustainability Lead, who reports to our Corporate Relations and Sustainability Director – a member of Spark's Leadership Squad. The squad is comprised of representatives from the Spark Partnerships and Procurement, Legal, Digital Trust, and Risk and Internal Audit teams, and a supply chain representative from Spark subsidiary, Entelar Group. The Human Rights and Supply Chain Steering Committee has governance oversight of the programme, and serves as an escalation point for important decisions. The Steering Committee includes three Leadership Squad members – the Corporate Relations and Sustainability Director, People and Culture Director, and Network and Operations Director.

We report on progress against this work to our Leadership Squad and Board on a quarterly basis. An overview of Spark's sustainability governance structure is provided below. This approach ensures sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

Spark New Zealand Board of Directors	Approval of business strategy and Sustainability Framework, including key policies and KPIs. Reviews sustainability progress quarterly. Reviews climate change and modern slavery risks.
Leadership Squad	Sets five-year business strategy and approves Sustainability Framework, including key policies and KPIs. Reviews sustainability progress quarterly. Reviews climate change and modern slavery risks.
Corporate Relations and Sustainability Director and Sustainability Team	Corporate Relations and Sustainability Director has overarching responsibility for the Sustainability Framework and Spark's progress against it. Sustainability Lead and Environment and Sustainability Manager lead execution through squads and reporting.
Steering Committees and Governance Forums: Human Rights and Supply Chain, Data Ethics, Climate Disclosures	Steering Committees and Governance Forums established to ensure Leadership Squad and subject matter expert oversight of progress against material sustainability focus areas and risks, where appropriate.
Governance and Reporting Squad; Emissions Reduction Squads; Human Rights and Supply Chain Squad; Spark Foundation / Skinny Jump Squad	Cross-functional squads established to improve sustainability performance and integrate it across Spark. Spark Foundation has a sole focus on digital equity and is governed by a Board of Trustees. Skinny Jump is operated by a dedicated squad. Spark's Digital Equity Lead reports into the Corporate Relations and Sustainability Director, and has overarching responsibility for Spark's digital equity investments.
A BETTER DIGITAL WORLD Sustainability Framework Low-impact, high connectivity; Equitable and trusted	Our **Sustainability Framework** unites Spark's ambitions with the issues that matter most to our stakeholders. Our sustainability commitment is a 'Better Digital World' with two key focus areas: – **Low-impact, high connectivity**: We will reduce our environmental impact and enable Aotearoa to do the same through technology - **Equitable and trusted**: We will champion digital equity and build trust in our digital products and services
Quarterly Business Review (QBR)	Spark's business strategy is executed through a Quarterly Business Review (QBR) process, with priorities agreed every three months. Sustainability is integrated into the QBR.
All Spark people	Support execution of Sustainability Framework priorities and consider sustainability impacts in decision making.

Our Human Rights and Modern Slavery work programme

Spark's Human Rights and Modern Slavery work programme was established to enable prioritisation and guide resource allocation within the business. This programme is developed by our Human Rights and Supply Chain squad and approved by the Human Rights and Supply Chain Steering Committee. For details on how we assess our performance against the Work Programme, see the final section of this report, *Reviewing effectiveness and reporting*, on page 24.

Focus area	Description	KPIs
Policies and governance	Robust standards that set clear expectations for our people, suppliers, and stakeholders, with effective governance processes in place to oversee the operationalisation of these standards.	• Our policies are fit for purpose • Our Human Rights and Modern Slavery Framework is aligned to best practice and updated as needed to respond to the evolving risk environment • We have a clear work programme to drive continual improvement
Training and communications	Regular, effective communications to our people, suppliers, and other relevant stakeholders to ensure our policies and expectations are well understood.	• Our company-wide communications and training equip our people to understand relevant human rights risks, including how to raise concerns • Our training for supply chain and customer-facing teams equips the people most likely to identify human rights and modern slavery risks across our value chain with effective management approaches
Due diligence	Effective risk assessment and due diligence processes that enable the accurate and timely identification of potential human rights and modern slavery risks across our value chain, including trusted and accessible reporting mechanisms for employees to raise concerns.	• Our risk assessment processes accurately identify our human rights and modern slavery risks • Our due diligence processes enable us to identify and manage modern slavery risks relating to suppliers and other third parties • Our people have access to our Whistleblowing processes to raise concerns if they need to
Addressing potential impacts	Engaging proactively across our value chain to address potential impacts, including third party JAC audits of high-risk suppliers to identify and address upstream issues in our supply chain.	• Our suppliers have effective grievance mechanisms in place for their own workforces • Any modern slavery related complaints received are appropriately identified and investigated
Reviewing effectiveness and reporting	We review our progress regularly through our governance processes and provide transparent reporting annually to our stakeholders.	• Our governance process is operating as intended • Our reporting continues to improve year-on-year

Our policies

Our Human Rights Policy makes clear our commitment to supporting and respecting internationally recognised human rights as laid out in the International Bill of Rights and the International Labour Organisation (ILO)'s Declaration on the Fundamental Principles and Rights at Work. We continue to review our Human Rights Policy to ensure it remains fit for purpose.

Spark's human rights commitment is supported by a comprehensive set of policies that articulate our expectations to our team and provide transparency on how team members can report issues they are concerned about. These policies are supported by our People and Culture team, which provides specialised advice to team members on human resources matters.

We review these policies on a regular basis to ensure they remain fit for purpose. Spark's corporate governance policies, practices, and processes, including Spark's Annual Corporate Governance Statement, can be found on the Governance section of our website. Spark's policies apply to Spark and all subsidiaries. The following policies are the most relevant to preventing human rights and modern slavery issues within our business:

Policy	Purpose
Human Rights Policy	Commits Spark to support and respect internationally recognised human rights as laid out in the International Bill of Rights and the International Labour Organisation's (ILO) Declaration on the Fundamental Principles and Rights at Work. The policy includes details of potential human rights impact and policies and processes in place to address these.
Diversity and Inclusion Policy	Outlines how Spark aims to support diversity and inclusion, as well as proactively recognising equality across the business in order to deliver enhanced customer experiences and business performance.
Health and Safety Commitment	Aims to ensure that all Spark people go home safe and sound at the end of each working day.
Supplier Code of Conduct	Sets out the minimum standards we expect from all our suppliers across labour and human rights, privacy, health and safety, environmental sustainability, and ethical business practices. All new suppliers are required to sign up to the Code, or demonstrate commitment to an equivalent code of practice, as part of their onboarding process.
Privacy Values	Spark's Privacy Values (Protection, Fairness, Empathy, Transparency, Innovation and Tikanga) supported by frameworks, processes, and training ensure that our people use personal information ethically and in accordance with all privacy laws.
Privacy Policy	Explains how we collect, use and share personal information and how we keep it safe.
Code of Ethics	Provides a framework for working at Spark and its related companies in a way that is consistent with Spark's values and standards, alongside guidance on decision making and some known risk areas.
Whistleblowing Framework	Spark's Whistleblowing system includes a number of reporting options. It is detailed in our Code of Ethics and covered in detail on our employee intranet. A key reporting channel is the Honesty Box, which enables reporting directly to the Digital Trust team, part of the Legal Centre of Excellence within Spark. All reports are investigated in confidence by appropriate specialist employees. Other reporting mechanisms also include a method for reporting directly to the Spark CEO.
Artificial Intelligence Principles	Outlines Spark's responsible and ethical approach to the design and operation of AI technologies.

2. Training and communications

Training and communications are critical to our ability to prevent and manage human rights and modern slavery risks across our business. Across many of our broader human rights topics, including privacy and security, and diversity and inclusion, all employees are required to complete regular training.

We have developed focused supplier risk awareness training to increase understanding and the ability of our teams to identify risk in our supply chain. This includes:

- An introduction to modern slavery, including high-risk geographies and procurement categories
- An overview of human rights and Spark's Human Rights Policy
- The requirements of Spark's Supplier Code of Conduct
- An overview of modern slavery reporting regulation and emerging best practice
- An overview of JAC and our supplier audit processes
- Details of our supplier risk assessment process and priority suppliers identified

The training features a number of real-life case studies to illustrate potential impacts, and drive discussion around how best to address different risk scenarios. This includes case studies featuring vulnerable groups or communities in our supply chain, working with partners in high-risk geographies, and high-risk supply categories.

These sessions have been delivered to the teams most likely to encounter these issues within our business, including Spark's Value Management team (now Procurement and Partnerships), the Entelar Group procurement team, and Spark's Legal Centre of Excellence. This training was first developed in FY24, reaching over 50 people. In FY25 we delivered refresher risk awareness training sessions to the Spark Procurement and Partnerships team (15 people) and the Entelar procurement team (29 people).

In the past year we extended our training to our customer-facing teams, building on a pilot session with our IoT sales team in FY24. This was through a presentation, which focused on building the capability of our Government and Enterprise sales teams. These teams manage Spark's relationships with the customer groups most likely to adopt and use our services in ways that could potentially impact downstream human rights. The session was attended by 49 people, with a recording of the session available to over 200 more employees.

The training session adapted our supply chain training, and included an introduction to human rights risk, to support our employees to identify potential risks in our customer base.

For the year ahead, we are surveying past participants to seek feedback on the value of the sessions delivered, and to understand what further training they would find valuable.

3. Due diligence

The United Nations Guiding Principles (UNGPs) on Business and Human Rights states that businesses have a responsibility to respect human rights wherever they operate and whatever their size. The UNGPs further affirm that businesses must prevent, mitigate, and where appropriate, remedy human rights abuses that they cause or contribute to, while seeking to prevent or mitigate any adverse impacts related to their operations, products or services, even if these impacts have been carried out by suppliers or business partners.

When we developed our Human Rights Policy, first introduced in 2022, we conducted a due diligence process to identify areas of potential impact across our value chain. This process included internal and external stakeholder engagement, supported by a third party review of our approach against our global peers. We identified a number of human rights topics that were relevant to our broader value chain, many of which were already addressed through existing policies and processes.

We continue to identify human rights and modern slavery risks through ongoing human rights due diligence processes. The following diverse sources help us identify and prioritise our response to the most salient human rights risks, including emerging risks:

- An annual review of our material sustainability topics, which includes engagement with stakeholders, and peer review, to ensure we have identified emerging human rights topics
- Our ongoing process of principal risk assessment, which is undertaken by our Audit and Risk team and reported directly to the Board
- Our annual process of supply chain risk identification, including supplier self-assessments and ongoing supplier screening
- Independent supplier audits conducted through our membership of the Joint Alliance for CSR (JAC)
- Data ethics governance to identify and manage emerging issues in the application of data and new technologies, including artificial intelligence

All Spark employees and some of our indirect workforce, such as outsourced call centre employees, have access to Spark's Whistleblowing processes. Our systems enable the reporting of issues to subject matter specialists as well as directly to our Digital Trust team, which sits in our Legal Centre of Excellence, via the Honesty Box using a confidential form, or to the CEO. This enables reporting of new and emerging human rights issues for consideration.

The types of issues raised by submitters during FY25 included employee behavioural matters, workplace environments, and application of employee-related processes. These were considered and addressed appropriately with the support of Spark's People and Culture team.

We regularly remind Spark people of the reporting options available to them and are pleased to see the growing diversity of matters that submitters are comfortable raising. We continue to raise visibility and understanding of the importance and value of our Whistleblowing processes.

Our potential human rights impacts

Our human rights due diligence has identified a number of potential impacts across our value chain. For modern slavery risks we have also considered a number of ways in which we may be linked to potential impacts:

- **Cause**: A business may be a cause of modern slavery where their actions or omissions directly result in modern slavery occurring
- **Contribute**: A business may contribute to modern slavery where its actions or omissions significantly facilitate or incentivise modern slavery
- **Directly linked**: A business may be directly linked to modern slavery where its products, services, or operations are directly linked to harm carried out by a third party, such as a supplier

Upstream impacts

in our supply chain

Pages 16 – 20

Potential modern slavery impacts

- Risk that Spark may be **directly linked** to modern slavery practices in its global supply chain, including forced and child labour. Particular risk in the manufacture of consumer and network telecommunications and ICT equipment
- Risk that Spark may **contribute** to modern slavery practices by not implementing adequate processes to identify and address issues in its global supply chain

Other potential human rights impacts

- Risk that Spark may be **directly linked** to negative impacts of raw materials sourcing used in electronic equipment manufacturing e.g. conflict minerals
- Risk of customer data privacy breach by one of our suppliers or partners

Direct impacts

in our operations

Page 21

Potential modern slavery impacts

- Risk that Spark may **cause** modern slavery practices in our direct workforce (low risk) or through its indirect/contracted workforce. Particular risk in overseas contracted workforce (e.g. call centres, ICT support/development services), and in potentially vulnerable New Zealand contract services (e.g. cleaning contractors)
- Risk that Spark may **contribute** to modern slavery practices by not implementing adequate processes to identify and address issues in its contract workforce

Other potential human rights impacts

- Importance of diversity and inclusion across our business, including commitments to improve gender and ethnic representation across our business and reducing our gender and pay gap
- Protection of personal data, e.g. employee

Downstream impacts

through our products and services

Pages 22 – 24

Potential modern slavery impacts

- We have not identified any downstream modern slavery impacts at this time

Other potential human rights impacts

- Potential impacts on our customers' human rights to privacy, including security protection
- Potential impacts of our products and services, including emerging technologies such as AI
- Importance of digital equity and inclusion, which is an enabler of many other human rights including access to education, healthcare, employment, and participation in society

4. Addressing potential impacts

Key modern slavery actions: upstream impacts in our supply chain

Our approach to addressing potential impacts

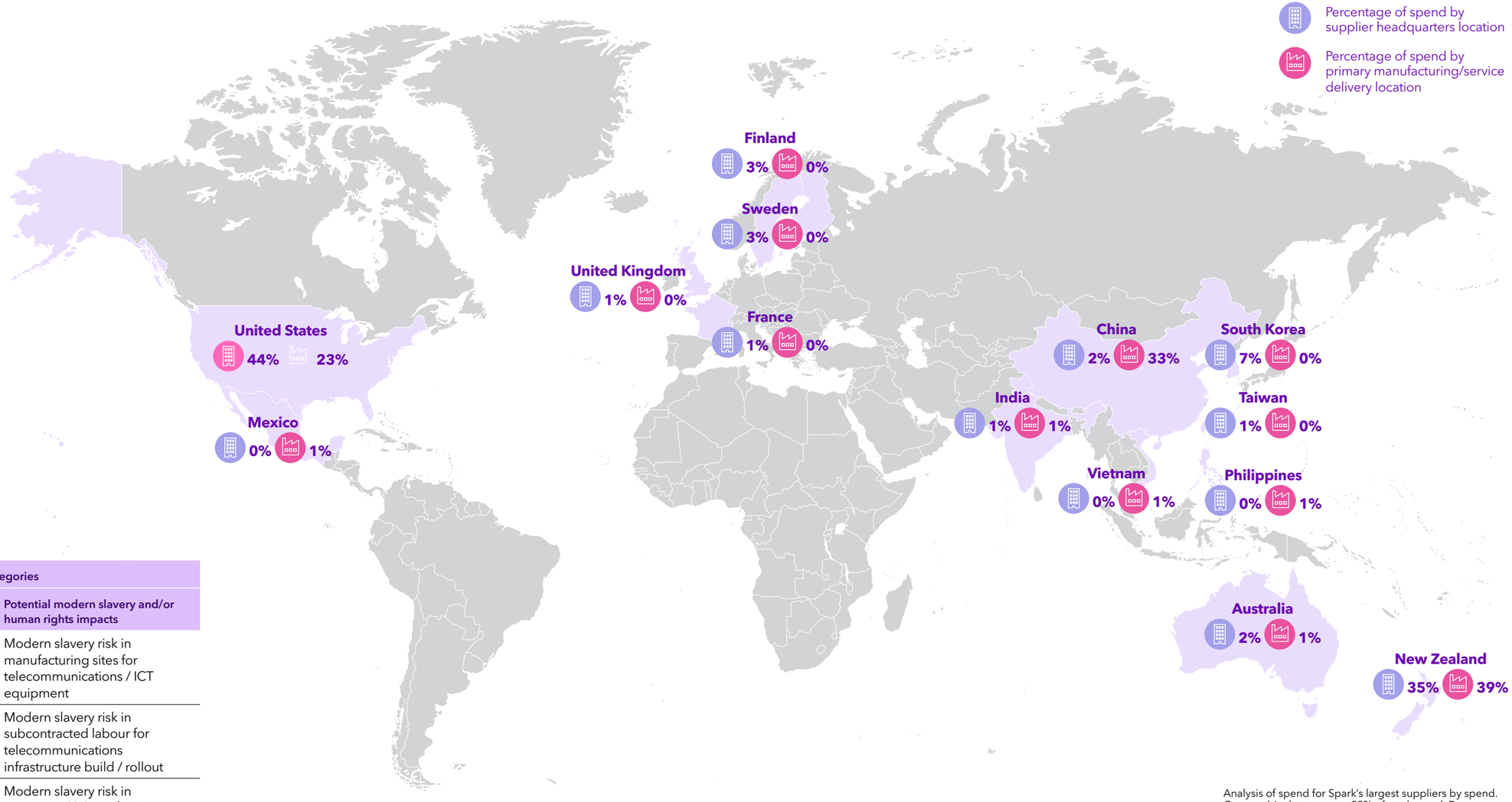
When we identify human rights or modern slavery risks or issues within our business or supply chain, our overriding objective is to work alongside our suppliers, partners, and customers to address and remediate these issues. In this way we can contribute to positive change within our value chain, rather than simply removing ourselves from the situation.

Upstream impacts in our supply chain (key modern slavery actions)

We rely on a combination of local and global suppliers and partners to operate our business. We have over 2,000 suppliers, ranging from the largest global technology businesses to small local operators. Each year we spend over $2 billion to support our business and meet our customers' needs. Our global supply chain is complex, with many indirect suppliers providing the source materials and components required to deliver consumer electronics and network infrastructure. We set clear expectations for our suppliers related to social and environmental performance through our Supplier Code of Conduct. All new suppliers are requested to sign up to the Code, or demonstrate commitment to an equivalent code of practice, as part of their onboarding process.

The majority of Spark's supply chain spend is across three categories, focused on technology and telecommunications equipment and services to support our business and our customers. The remainder is spent on a range of services such as marketing, corporate services, content rights, electricity, travel, freight and courier, office supplies, and leasing. Of our total spend, around 90% is with our top 100 suppliers.

Mapping our global supply chain



Analysis of spend for Spark's largest suppliers by spend. Geographic data covers ~80% of total spend. Data correct as at 30 June 2025 for FY25 spend.

Spend across our three biggest categories

Procurement category	Percentage of supply chain spend	Primary country of spend	Potential modern slavery and/or human rights impacts
Electronic equipment, mobiles, accessories, network equipment	32%	China	Modern slavery risk in manufacturing sites for telecommunications / ICT equipment
Telecommunications services: interconnect, broadband	24%	New Zealand	Modern slavery risk in subcontracted labour for telecommunications infrastructure build / rollout
Software and IT services	22%	United States (US)	Modern slavery risk in outsourced labour for IT services

4. Addressing potential impacts (continued)

Key modern slavery actions: upstream impacts in our supply chain

Spark's Supplier Code of Conduct

Our Supplier Code of Conduct sets out the minimum standards we expect from all our suppliers across labour and human rights, health and safety, environmental sustainability, and ethical business practices. All new suppliers are requested to sign up to the Code, or demonstrate commitment to an equivalent code of practice, as part of their onboarding process. Also included in the Code is a requirement for suppliers to consider risks in their own supply chains. This includes processes for managing the responsible sourcing of materials used in electronic manufacturing, for example tantalum and cobalt. The Code is available here.

We reviewed the Code in FY25, validating the requirements, and adding in additional requirements aligned to the Spark Privacy Policy and AI Principles. The Code will continue to evolve, particularly as we implement more formalised supplier due diligence systems aligning our ESG, privacy, health and safety and security supplier qualification processes.

Grievance and reporting mechanisms are an important requirement of the Code. We recognise it is impractical for our 2,000 suppliers to implement customer-specific grievance mechanisms within their supply chains. Instead, we set out clear expectations in our Supplier Code of Conduct, which requires our suppliers to:

- *"Allow all workers to communicate openly with management regarding working conditions and human rights without fear of reprisal, intimidation or harassment in accordance with local laws and in any event in a manner that respects basic rights of open communication, direct engagement and humane and equitable treatment"; and*
- *"Implement and maintain policies and processes to maintain whistle-blower confidentiality and protect whistle-blowers from retaliation and victimisation."*

For priority suppliers we gather information on our suppliers' policies and processes to ensure compliance with our requirements through our annual supplier ESG self-assessment. For suppliers selected for JAC audit the presence of employee reporting mechanisms, and policies for responsible minerals sourcing, is an important part of the audit process. See the supplier risk assessment and supplier audit programme sections below for more information.

Supplier risk assessment

Our supplier risk assessment process analyses our current supplier base to prioritise suppliers for further risk assessment, including our annual supplier ESG self-assessment questionnaires and future JAC audits. This process considers a number of criteria:

- Top suppliers by spend and strategic suppliers – with data derived from spend data and key partnerships
- Suppliers linked to high-risk geographies aligned to World Economic Forum risk factors
- Suppliers in high-risk sectors, such as electronic equipment manufacturing, clothing/merchandising, and solar equipment manufacturing
- JAC database analysis – prioritising suppliers with a pattern of lower audit scores for tier 1 / 2 / 3 supplier sites

In FY24 we developed a supplier ESG self-assessment aligned to the requirements of our Supplier Code of Conduct. This includes gathering supplier information on:

- Locations involved in the provision of goods and services to Spark. Our supplier location information is often tied to local New Zealand branch offices, or global headquarter addresses. By gathering data on supplier factory or support centre locations we can gather useful information to identify high-risk geographies upstream in our supply chain.
- Detail on the processes suppliers have in place to identify and address instances of modern slavery, or broader human rights impacts, across their supply chains, or in their direct operations. This includes information on our suppliers' own modern slavery reporting, which many of our priority suppliers produce.
- Disclosure on whether any instances of modern slavery, or other human rights impacts, have been identified by the supplier. This information is requested as this aligns to the most common areas of non-compliance found in the third-party JAC audits we have completed.
- Information on suppliers' policies on conflict minerals in their supply chains.

For our first assessment round in FY24 we targeted 57 priority suppliers, with responses received from 27 suppliers. These responses provided useful information which we used to focus our FY25 assessment on a smaller number of 40 suppliers. The reduced number was informed by responses showing some suppliers did not present a significant risk, and others that referred to their own high-quality annual reporting of modern slavery and supply chain performance which we have been able to review. For FY25 our focus has been on engaging suppliers that did not respond to the FY24 request alongside requesting those suppliers that did participate last year to review and re-validate their responses. To date we have received an additional 12 supplier responses from suppliers that did not participate last year.

None of the self-assessments from FY24 or FY25 declared any known instances of modern slavery in our suppliers' direct operations. Some of our large technology providers with mature supplier audit processes did disclose findings of their own supplier audit programmes, including incidences of excessive working hours and forced or bonded labour related to recruitment fees. These include suppliers whose supply chains we have included in our JAC audit programme covering tier 2 suppliers. We are comfortable that these suppliers have processes in place to identify and address non-compliance and are transparent about the findings of their supplier audits, with many of them publishing their own annual modern slavery and/or human rights performance statements.

In FY24 the Spark Risk, Internal Audit and Fraud team reviewed Spark's supplier due diligence processes, evaluating the design and effectiveness of due diligence controls and how risks are managed for new and existing suppliers. The review identified a number of opportunities to improve our processes, including a recommendation for the implementation of a formal workflow system to improve the consistency and controls for supplier assessments and enable a structured approach for adapting to new areas of supplier risk. Progress has been made against these recommendations in FY25, with a new procurement management tool in the process of being implemented to systematise workflows for sourcing, new supplier onboarding, supplier evaluation, contract management, and ongoing supplier assessment. In the interim we have implemented a manual process to ensure sustainability and modern slavery risk has been assessed when onboarding new suppliers.

Supplier audit programme

JAC (the Joint Alliance for CSR) is an international association of telecommunications operators. The core purpose is to enable members to work together to assess, verify, and improve the labour standards, health and safety, environmental, ethics, and management systems of the industry's supply chains, as well as identification of supplier sites to audit. JAC has been running for over a decade and has been gradually growing as new operators join the initiative. As of June 2025, the association included 31 telecommunications operators.

As a JAC member Spark is required to audit a minimum of five supplier locations each calendar year. The suppliers and locations are mutually agreed and allocated across the members. Findings and corrective actions are also shared among all JAC members, which provides visibility of risk across a larger number of suppliers than Spark would be able to audit individually and a platform for collective industry engagement to improve performance.

In the past calendar year (to 31 December 2024) JAC members conducted a total of 115 CSR Audits, accepted 24 materially equivalent audits carried out under the Responsible Business Alliance process called Validated Assessment Program (VAP) and in addition, performed 11 Mobile Workers' Surveys (MWS), which asks workers in supplier facilities to use their mobile devices to provide responses to confidential surveys. Across these audits 661 corrective actions were raised. The top audit findings were related to health and safety, working hours, environment, and wages and compensation. As we share many common global suppliers with our industry peers many of the sites audited are relevant to our own supply chain. Details shared among JAC members are covered by a Non-disclosure Agreement, which means we cannot share details of JAC audits conducted by other members publicly, but we can use this information in our own internal risk assessment, to inform our engagement with suppliers, and to prioritise and select sites for auditing.

Within Spark our JAC audit programme is led by the Audit and Risk team. To undertake the assessments, we have engaged a third-party auditor experienced in delivering site assessments against the JAC methodology. Following an audit a Corrective Action Plan is agreed with the site that was audited, to address any issues identified. Progress against agreed actions is recorded in the shared JAC database, and reported directly to the Spark Board.

Our commitment is to conduct five JAC audits each calendar year. In FY24 we conducted eight JAC audits, and in FY25 we conducted an additional two audits, bringing our total to ten audits over the past two financial years. Our five JAC audits for calendar year 2025 are planned for the first two quarters of FY26. These mainly target manufacturing sites in Asia.

The two audits conducted in FY25 were focused on New Zealand suppliers, targeting suppliers providing cleaning and security services – sectors we have identified as higher risk for potential modern slavery impacts in our local market.

Previous audits include five manufacturing sites in China, two audits of our outsourced call centre operations in the Philippines, and one audit of an outsourced IT service provider in India. A focus in FY25 has been to continue to work with suppliers to close out findings from audits completed.

In working with suppliers, we have found that many of the findings can be addressed quickly, with many minor findings corrected during the audit visits, or shortly afterwards. We have found that working hours findings are often the most complex to address, and require more time for corrective actions to be implemented and verified. These corrective actions need to be considered in the local context, including the impact on local employees for whom a reduction in hours could correspond to a reduction in income.

4. Addressing potential impacts (continued)

Summary of JAC audit findings (FY24 onwards)

Category	Number of minor findings	Number of major findings	Number of highest priority findings	Notes
Child labour	1	0	0	One minor issue raised related to hiring policy/procedure. No instances of child labour found
Forced labour	0	3	1	Findings related to policy/procedure, inadequate employment contracts for contracted workforce, and onboarding/health examinations fees charged to new employees
Health and safety	7	27	5	Majority of health and safety findings were corrected immediately or shortly after audit completion. Related to signage, labelling, access to fire exits, and availability of appropriate PPE
Freedom of association	0	0	0	No issues found
Discrimination	0	1	0	One finding related to lack of policy or procedure to ensure reasonable accommodation for religious practices
Disciplinary practices	0	0	0	No issues found
Working hours	2	4	7	Findings related to excessive working hours – see commentary below
Wages and compensation	4	4	1	Findings related to lack of required social insurance, employee wage deductions, and holiday pay requirements
Environment	12	10	0	Findings related to lack of GHG emissions reporting and reduction planning, supplier engagement on emissions, and environmental hazard identification
Business ethics	3	5	0	Findings related to lack of compliance processes, and processes to review the performance of business ethics practices
Total findings	29	54	14	
Total findings closed*	21	43	11	

* A number of open findings relate to a process issue related to a supplier which has caused a delay in logging and addressing corrective actions in the JAC system.

The two audits conducted in FY25 covered contracted cleaning and security employees working at Spark sites in Auckland, New Zealand. The findings from these audits included health and safety and working hour-related findings. Subsequent follow up and evidence provided showed these incidents to be exceptions rather than systemic issues. Both suppliers were able to quickly implement corrective actions for other categories of findings raised.

Five of the audits conducted in FY24 targeted overseas tier 1 supplier sites, meaning they are owned and operated directly by Spark suppliers. At these sites the audits found high levels of compliance with our requirements, with limited findings related to site health and safety and compliance issues. At some of the manufacturing sites using contracted labour we found that some of the employment protections in place for direct employees were not found for workers indirectly employed at the sites. In these instances, we have required sites to implement corrective actions to ensure that conditions for all employees meet requirements.

We have also audited three tier 2 sites, operated by suppliers to our suppliers. Two of these tier 2 sites had higher instances of non-compliance and issues than tier 1 sites. At both sites we found working hours significantly exceeded expectations, with employees working beyond legal maximum weekly working hours, and working in excess of seven days continuously. At one site the audit also found concerning practices regarding worker pay deductions for lateness and absences and health examination fees for new workers.

We take these findings seriously. As these are tier 2 suppliers our approach is to engage with our direct supplier, and work in partnership with them to ensure corrective actions are implemented to address issues identified at the sites. This includes direct engagement with the Spark Risk, Internal Audit and Fraud Lead, Spark's Sustainability Lead, and the supplier relationship lead within Spark. Both suppliers are global technology companies headquartered in Europe, each with their own modern slavery supply chain processes in place.

Key modern slavery actions: direct impacts in our operations

Aligned to our overarching human rights approach, our objective is to work alongside our suppliers to remediate issues identified rather than simply removing ourselves from the situation. To date we have found our suppliers are responsive to corrective actions. If we find a supplier unable or unwilling to address serious non-compliance in the future this would cause us to review our commercial relationship with them.

As with all JAC audits, assessment findings and corrective actions are uploaded to the JAC database and are shared with all JAC members. To close an audit finding evidence of corrective actions taken must be provided and uploaded. Open corrective actions are tracked and reported. Within Spark we also report the results of JAC audits to our Leadership Squad and Board on a regular basis. This includes sharing the findings of recent audits, and reporting progress closing actions related to findings.

Direct impacts in our operations (key modern slavery actions)

Our direct workforce

Over the past year Spark has undertaken a large-scale transformation programme, with the realignment of our organisational structure to reflect our changing strategic priorities. This included the establishment of several strategic partnerships across our IT delivery model which has brought significant change for our people. As of 30 June 2025, Spark directly employed 4,043 people, with more than 99% of these people located in New Zealand. This number compares to 5,291 people employed at the end of FY24. These changes have also resulted in the growth of our indirect workforce.

As we have worked through these changes, we have been focused on supporting our people and teams who have been impacted. All our people are provided with redundancy packages wherever applicable, as well as outplacement support which includes access to our Employee Assistance Programme through Clearhead, an online app that provides mental health support tools as well as the option to access six fully funded therapy sessions, for those people who require additional support.

Our people have a broad range of skillsets, ranging from customer service to engineering and professional services. Spark meets all requirements of New Zealand employment law for our New Zealand-based direct workforce, and in many cases goes above and beyond statutory requirements. We seek to remunerate our people with competitive salaries, paying in line with the market so we can recruit and retain the best talent. In FY25 we reviewed salaries and rates of pay for our lowest-paid employees and made relevant adjustments taking into consideration benchmarks such as the (voluntary) New Zealand Living Wage. Our Hiring People Policy ensures that 'right to work' checks are undertaken, and work cannot commence without valid documentation.

Spark has a diverse workforce and a robust diversity, equity, and inclusion programme that is focused on ensuring our people feel valued, respected, and confident to bring their whole selves to work. We use regular engagement and culture surveys with our people, which enables individuals to share their views and experiences confidentially and supports leaders to create healthy, safe, and engaging work environments.

Spark people undertake compliance training on a range of topics including, but not limited to, our Code of Ethics, health and safety, security and privacy, sustainability, and our policies around discrimination, bullying and harassment, and diversity and inclusion. In addition, our people leaders receive training through our People and Culture team, as well as leadership development programmes that ensure they have an understanding of the standards and expectations in place for the protection of our people.

Spark occasionally employs interns across our business in a range of areas to provide meaningful work experience. We have a general policy of paying our interns at least the minimum wage, rather than requiring them to give their time free. From time-to-time we have people that volunteer their time to gain work experience or knowledge in a particular area. These are short-term arrangements, and we will continue to monitor this practice to ensure it is always beneficial for the volunteer.

Our indirect workforce

We have an indirect workforce of around 3,300 people, with the majority located in New Zealand, and those located offshore working with a range of partner organisations. We recognise our indirect workforce could potentially face higher risks of modern slavery than those employed directly by Spark, and we have checks and balances in place to mitigate these risks. In FY25 the establishment of several strategic partnerships across our IT delivery model will mean an increase in our indirect workforce in New Zealand and overseas.

Our indirect workforce in New Zealand is a diverse mix of agency contractors, consultancy firms, independent contractors, suppliers (including people such as cleaners and security staff working in our buildings) and people employed by our Spark Business Hubs.

Our New Zealand-based indirect employees are all protected by New Zealand employment law and employed on a range of contractual arrangements depending on the type of work they do and where they have been engaged. Our independent contractors and agency staff who contract directly to Spark are all engaged in accordance with our own employment hiring process in terms of proof of right to work and rates of pay. Our Business Hubs operate under a licencing model with employment terms determined by each of the owner operators independently of Spark.

4. Addressing potential impacts (continued)

In FY25 we completed JAC audits for two New Zealand-based suppliers providing cleaning and security services. These are sectors we have identified as higher risk for potential modern slavery impacts in our New Zealand indirect workforce.

Many of our offshore indirect workforce are based in the Philippines, where we contract with a partner to run customer care centres to serve our customer base in New Zealand. We require our partner in the Philippines to make formal commitments around its mitigation of modern slavery risk. Our partner has confirmed that it adheres to fair pay practices, including paying employees for all time worked, and that all its employees, contractors, and suppliers must comply fully with its Equal Employment Opportunity Policy and applicable employment laws. In FY24 we completed two JAC audits of our partner's call centre sites in the Philippines. Both site audits found good practices around employee wellbeing and compliance with employment regulations. More information on our JAC audit programme is available on page 19.

Our FY25 operating model changes build on existing IT partnerships, which include contract staff at two different IT services businesses, both headquartered in India. The number of contractors in partner businesses who are working with Spark fluctuates depending on the work required. We also completed a JAC audit of one these partner's sites in India in FY24, which showed good employment practices in place.

Our retail network

We operate 59 retail stores and 24 Business Hubs located throughout New Zealand. We also have dealership arrangements with major retail chains across New Zealand to sell Spark products and services. Spark directly operates all its retail stores, and all the people working in Spark stores have an Employment Agreement directly with Spark. Our Business Hubs are operated by third party licensees and their employees are employed directly by those third parties. We require within the licence terms that the terms of employment between the licensee and the staff member must comply with all statutory and legal requirements. Under the licence agreement, licensees must offer employment on terms substantially consistent with a template agreement provided by Spark (being a fit-for-purpose agreement that meets minimum legal requirements).

Demographics of our workforce

Detailed reporting on our direct workforce is available in our FY25 Annual Report (see pages 44 and 45). We also publish an ESG data pack which includes detailed reporting of employee metrics, this is on the Governance page of our website.

Downstream impacts of our products and services (other human rights impacts)

We recognise that human rights risks exist beyond our supply chain and direct operations, and could include the downstream impacts of our operations and the way our customers utilise the technology services we provide. This includes risks of potential impacts to the human right to privacy and to live free from discrimination. Digital equity is also an important human rights topic as access to the digital world is an important enabler of other human rights.

Privacy

Spark puts cyber security, customer safety, and privacy at the forefront of everything we do. We have processes in place to ensure that appropriate ownership, oversight, and ongoing risk management is applied. Our processes are independently assured by our risk and internal audit functions. Our approach to privacy is based on our Privacy Values which include protection, fairness, transparency and autonomy, innovation, empathy and Tikanga.

We are committed to keeping customers' personal information safe and managing it in ways that align with their expectations, Spark's Artificial Intelligence Principles, Privacy Values, and the law, including the Privacy Act 2020, and the Telecommunications Information Privacy Code 2020.

Spark's Digital Trust team leads Spark's privacy programme, providing frameworks, tools, and training to support our people to follow our Privacy Policy and Values. The Privacy and Online Safety section on our website contains a range of tools and services to help our customers safely manage their privacy and security.

We report our performance on these topics in our integrated Annual Report, aligned to GRI (Global Reporting Initiative) standards. In FY25 our people reported 156 data breaches for investigation. When appropriate Spark reports these breaches to the Office of the Privacy Commissioner (OPC). We also continue to see incidents where fraudsters trick individuals into sharing their personal information obtained from non-Spark sources, such as compromised online accounts to obtain access to customer accounts. Spark also received 39 substantiated privacy complaints from customers. There were no substantiated complaints from the OPC.

More information about Spark's approach to privacy: spark.co.nz/privacy

Other human rights risks: downstream impacts of our products and service

Impacts of emerging technologies – data ethics and governance

The rapid development of artificial intelligence (AI) technologies brings many benefits to New Zealand, while also presenting increasingly complex challenges in ensuring that both data, and data applications, are used by people and organisations ethically, safely, and lawfully. As we continue to embed new technologies like AI throughout our business processes, we also continue to evolve our governance approach to data ethics and privacy to ensure we have the right guardrails in place to protect our customers' information.

Spark's use of AI is guided by our Artificial Intelligence Principles, which focus on a responsible and ethical approach to the design and operation of AI technologies within our business. Our principles are focused around seven key areas: human centred; ethical design; diversity, inclusivity and bias; safety and reliability; privacy; informed human decision making; and explicability and transparency. These Principles are regularly reviewed and updated as we continue on our AI journey.

Our AI Executive Governance Committee provides oversight of Spark's deployment of AI across the business, including investment choices, benefit realisation, and associated changes to operating model design. Spark's Data Ethics Committee includes representatives from the Leadership Squad and provides oversight of our Artificial Intelligence Principles and how they are embedded into our ways of working, processes and systems.

Risk in our customer base

Our human rights due diligence process identified potential risks from our customers' use of our products and services. The majority of risks are related to specific services and technologies. We address these potential impacts through our approach to privacy and emerging technologies, detailed above.

As a New Zealand-based business, most of our customers operate exclusively within New Zealand where strong human rights protections exist. Although the majority of Spark's customers pose a low risk, there is the potential for human rights impact for some high-risk sectors, high-risk geographies, high-risk product categories, or for customers working with vulnerable groups.

To raise awareness of these potential risks, in the past year we engaged with customer-facing employees through our Sales Empowerment training series, which focuses on building the capability of our Government and Enterprise sales teams. This represents the customer group most likely to adopt and use our services in ways that could potentially impact downstream human rights. The training session included a high-level overview of Spark's approach to sustainability, and how this is being factored in our customers' decision making. It also included an introduction to human rights risk, with a focus on vulnerable groups and high-risk categories and geographies to support our employees to identify potential risk in our customer base.

Digital equity

Digital equity starts with having access to devices and a connection to the internet, but this is really just the beginning. Beyond access, to close the digital divide our communities need the skills to use technology, trust in the digital world, and the motivation to participate. Digital equity is an enabler of many other human rights including access to education, healthcare, employment, and participation in society.

Through Spark Foundation we invest in community partnerships that improve digital access, digital skills and pathways, and digital wellbeing. We also address cost barriers to digital equity through our targeted, low-cost, not-for-profit broadband service Skinny Jump, and consider digital inclusion and accessibility in the design of our products and services.

More information about Spark's approach to digital equity: spark.co.nz/online/about/sustainability/digital-equity

More information about Spark Foundation: spark.co.nz/spark-foundation

5. Reviewing effectiveness and reporting

To review our progress, we have detailed below how we assess the effectiveness of our actions against the stated focus areas and KPIs of our Work Programme. This Modern Slavery and Human Rights Statement provides a detailed summary of our progress.

We review progress against our Human Rights and Modern Slavery Programme every quarter through the Human Rights and Supply Chain Steering Committee, and report to the Leadership Squad and Board quarterly. We report publicly on our progress annually through this Statement and our broader Integrated Reporting.

Focus areas	Description	KPIs	How we assess effectiveness	Key actions
Policies and governance	Robust standards that set clear expectations for our people, suppliers, and stakeholders, with effective governance processes in place to oversee the operationalisation of these standards.	• Our policies are fit for purpose • Our Human Rights and Modern Slavery Framework is aligned to best practice and updated as needed to respond to the evolving risk environment • We have a clear work programme to drive continual improvement	• Regular review of policies by relevant subject matter expert • Feedback from internal and external stakeholders • Feedback from the Leadership Squad and Board during progress updates • Performance in external sustainability benchmarks • Annual approval of the work programme by the Human Rights and Supply Chain Steering Committee • Completion of key action items identified by the work programme by FY close	• FY24: Human Rights and Modern Slavery Steering Committee established • FY24: Evolved data ethics governance approach – new Data Ethics Committee established • FY25: Maintained top-quartile global benchmark ratings in Corporate Sustainability Assessment (DJSI) and (biennial) World Benchmarking Alliance Digital Inclusion Benchmark • FY25: Review of Human Rights Policy and Supplier Code of Conduct
Training and communications	Regular, effective communications to our people, suppliers, and other relevant stakeholders to ensure our policies and expectations are well understood.	• Our company-wide communications and training equip our people to understand relevant human rights risks, including how to raise concerns • Our training for supply chain and customer-facing teams equips the people most likely to identify human rights and modern slavery risks across our value chain with effective management approaches	• Regular all-company communications that raise awareness of relevant policies, training, and Spark's Honesty Box (whistleblower process) • Tracking completion rates and monitoring feedback from participants	• FY24: Designed and delivered human rights and modern slavery awareness training to supply chain and legal team members and piloted with customer-facing teams • FY25: Refreshed training delivered to Spark and Entelar supply chain teams • FY25: Awareness training delivered to Government and Enterprise sales teams
Due diligence	Effective risk assessment and due diligence processes that enable the accurate and timely identification of potential human rights and modern slavery risks across our value chain, including trusted and accessible reporting mechanisms for employees to raise concerns.	• Our risk assessment processes accurately identify our human rights and modern slavery risks • Our due diligence processes enable us to identify and manage modern slavery risks relating to suppliers and other third parties • Our people have access to our Honesty Box processes to raise concerns if they need to	• Periodic audits of supply chain due diligence processes by the Risk and Audit team • Conducting annual human rights due diligence, alongside our materiality assessment • Contributing to Spark's annual principal risk assessment, conducted by the Audit and Risk team • Ensuring our people have access to whistleblower tools, including our Honesty Box processes	• Ongoing: Principal Risk Assessment includes consideration of human rights and modern slavery risks • Ongoing: Human rights due diligence completed alongside materiality assessment • FY24: Supply chain due diligence audit conducted by Risk and Audit team • FY25: New procurement management tool selected to systematise workflows for sourcing, new supplier onboarding, supplier evaluation, contract management, and ongoing supplier assessment
Addressing potential impacts	Engaging proactively across our value chain to address potential impacts, including third-party JAC audits of high-risk suppliers to identify and address upstream issues in our supply chain.	• Our suppliers have effective grievance mechanisms in place for their own workforces • Any modern slavery related complaints received are appropriately identified and investigated	• Conducting an annual review to identify high risk suppliers and identify candidates for supplier audits • Issuing an annual supplier self-assessment questionnaire to priority suppliers to identify risks and track compliance with our Supplier Code of Conduct and tracking completion rates • Conducting a minimum of five supplier audits annually via JAC and ensuring corrective actions are closed • Tracking supplier compliance with grievance mechanism availability through our supplier assessment and new supplier onboarding • Implementing processes to address downstream impacts of products and services	• FY23: Established ongoing annual review of suppliers to prioritise for further engagement (see page 18 for details) • FY24: Evolved data ethics governance approach – new Data Ethics Committee established • FY24: 27 suppliers completed FY24 supplier self-assessment questionnaire • FY24: Eight overseas supplier JAC audits completed (see page 20 for details of audit programme and findings) • FY25: Two New Zealand-based supplier JAC audits completed • FY25: 40 suppliers completed FY25 supplier self-assessment questionnaire (ongoing process)
Reviewing effectiveness and reporting	We review our progress regularly through our governance processes and provide transparent reporting annually to our stakeholders.	• Our governance process is operating as intended • Our reporting continues to improve year-on-year	• Reporting to Human Rights and Supply Chain Steering Committee, Leadership Squad, and Board is consistent with stated governance processes • Feedback from external stakeholders • Performance in external sustainability benchmarks • Tracking issues identified and sharing a summary of the resolution process in our annual Modern Slavery Statement	• FY24: Modern Slavery Statement significantly expanded from FY23 • FY24: Human Rights and Supply Chain Steering Committee established to provide governance oversight of work programme • FY25: Maintained top-quartile global benchmark ratings in Corporate Sustainability Assessment (DJSI) and (biennial) World Benchmarking Alliance Digital Inclusion Benchmark

Appendix

Spark Group structure and subsidiaries

Information on significant subsidiaries and controlled entities in the Spark Group as at 30 June 2025 (including ownership percentages and principal activity information) is available in the Spark Annual Report.

Spark New Zealand Trading Limited is the main trading entity within the Spark Group and is the parent company of many of Spark's operating subsidiaries.

Spark Finance Limited is the finance company for the Spark Group and raises debt funding in New Zealand and internationally. The majority of these funds are then advanced to other members of the Spark Group to assist in funding the Group's operations. Spark Finance has debt securities listed on the NZDX as SPF.

Spark subsidiaries

Adroit Holdings Limited	Environmental IOT solutions
Adroit IOT Limited	Environmental IOT solutions
Adroit Research Limited	Environmental IOT solutions
Computer Concepts Limited	IT infrastructure and Cloud services
Entelar Group Limited	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services
Gen-i Australia Pty Limited	Provides international, wholesale and outsourced telecommunications services
MATTR Limited	Software company focused on decentralised identity and verifiable data
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data
Qrious Limited	Data analytics business
Revera Limited	IT infrastructure and data centre provider
Spark Finance Limited	Group finance company
Spark New Zealand Cables Limited	Investment company
Spark New Zealand Trading Limited	Telecommunications and digital services company
Spark Trustee Limited	Trustee company
TCNZ Australia Investments Pty Limited	Australian operations
TCNZ (Bermuda) Limited	Holding company
TCNZ Financial Services Limited	Investment company
TCNZ (United Kingdom) Securities Limited	Holding/investment company
Teleco Insurance Limited	Group insurance company
Teleco Insurance (NZ) Limited	Former mobile phone insurance company
Telecom Capacity Limited	Holding company
Telecom Enterprises Limited	Investment company
Telecom New Zealand (UK) Enterprises Limited	Holding/investment company
Telecom New Zealand USA Limited	Provides international wholesale telecommunications services
Telecom Pacific Limited	Holding company
Telecom Southern Cross Limited	Holding company
Telecom Wellington Investments Limited	Investment company

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Spark nz
hello tomorrow

Climate-related Disclosures Report FY25

Contents

Introduction

Welcome to Spark's first stand-alone Climate-related Disclosures report. This report provides all our climate-related disclosures in one document, combining information that was previously included in our integrated Annual Report and stand-alone Greenhouse Gas (GHG) Inventory Report.

We know that climate change has the potential to cause significant disruption to all New Zealand businesses, including Spark. In recent years we have witnessed the impact of increasing weather events on communities around New Zealand. The physical impacts of climate change, and the impact of climate transition, present risks to our customers and our business due to changing economic conditions and disruption to our supply chain, operations, infrastructure and employees. It is important that we understand these risks and integrate these potential impacts into our strategy and our investment in network and operational resilience.

Climate change also creates opportunities for Spark to help enable our customers to reduce their emissions and to support New Zealand to adapt to the impacts of a warming climate. We believe that our sector has an important role to play, and that Spark is well placed to champion the role digital technology can play in the transition required. Alongside this opportunity we recognise our responsibility to reduce our own emissions, and this report includes data on how we are tracking against our science-based emissions reduction target. This year we have achieved significant steps towards our ambition of decoupling business growth from emissions growth, with the commencement of our ten-year renewable energy partnership with Genesis Energy.

Alongside environmental and economic disruption, we also recognise the human and social impacts of climate change. If digital technology is an important enabler of climate transition, then digital equity and inclusion are essential to a just transition. Digital skills will be vital for the workforce of the future, and digital access will continue to be an important factor in social connection, inclusion, and involvement.

Compliance with Climate Standards

This Climate-related Disclosures Report complies with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB). Climate Standard NZ CS 2 provides a number of adoption provisions, which climate reporting entities may elect to use. Spark New Zealand has elected to apply the following adoption provisions for our FY25 Climate-related Disclosures Report (our second reporting period):

- Adoption provision 2 (related to anticipated financial impacts)
- Adoption provision 5 (related to comparatives for Scope 3 GHG emissions)
- Adoption provision 6 (related to comparatives for metrics)
- Adoption provision 7 (related to analysis of trends)

Spark's FY24 Climate-Related Disclosures were included within its FY24 integrated Annual Report. For its FY25 climate-related disclosures Spark has published its climate-related disclosures in a separate report. This has resulted in some simplification and re-ordering of disclosures.

Where documents are referred to or web links are provided in this report, those documents and links are provided by way of additional context only and are not incorporating disclosures by reference, unless stated otherwise.

Important notice: challenges and uncertainties

Our climate-related disclosures and the conclusions we make reflect our current understanding as at August 2025. This includes current and forward-looking information regarding climate change, its impact on Spark, and our response to it. Climate change, and the impacts it will have on individual businesses, is subject to significant uncertainty. The information in this report is based on estimates, judgements, assumptions, and incomplete data that we consider to be appropriate under current circumstances. As such, we caution reliance on information that is inherently subject to significant uncertainty and data limitations.

This report includes forward-looking statements, including in relation to climate-related scenarios, targets, risks and opportunities, anticipated impacts, and transition plans. Such forward-looking statements are based on the beliefs of, and assumptions made by, our Management, along with information currently available at the time such statements were made.

These forward-looking statements are not guarantees or predictions of future performance. Any statements in these climate-related disclosures that are not historical facts are forward looking statements.

Reporting entity

Spark New Zealand Limited is a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013. These climate statements relate to the Spark Group, which consists of Spark New Zealand Limited and its subsidiaries (referred to throughout this report as "Spark", "we" or "our"). The scope of the reporting entity aligns with that used for Spark New Zealand Limited's FY25 group financial statements. All figures are expressed in New Zealand dollars. While Spark Finance Limited (a subsidiary of Spark New Zealand Limited) also meets the definition of a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013, the Financial Markets Conduct (Climate Statements – Spark Finance Limited) Exemption Notice 2024 (available here) exempts it from the requirement to prepare climate statements.

This report is dated 20 August 2025 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair; and Gordon MacLeod, Chair Audit and Risk Management Committee.

Justine Smyth CNZM
Chair

Gordon MacLeod
Chair Audit and Risk Management Committee

Climate governance

The role of Spark's Board and Management team in assessing and managing climate-related risks and opportunities

Governance body oversight of climate risks and opportunities

The Spark Board is the governance body responsible for oversight of climate-related risks and opportunities. The Board is informed and engaged on climate change through a number of regular processes:

- Oversight of Spark's overarching enterprise risk management system via the Audit and Risk Management Committee (ARMC) – a committee of the Spark Board which incorporates material climate-related risks (see Climate Risk Management section, page 24)
- Approval of, and engagement in, Spark's climate scenario risk analysis processes and annual climate risk reporting (via the ARMC)
- Quarterly sustainability updates from the Corporate Relations and Sustainability Director, and non-cyclical Board papers that include climate-related risks or opportunities and performance against climate targets

The ARMC assists the Board in relation to the oversight of, and monitoring compliance with, the Risk Management Framework. The ARMC meets at least four times each year and receives regular updates on all principal business risks, including regular updates on the key risk 'Ensuring the performance and resilience of network, infrastructure and ICT technology ', which includes physical adaptation risk to our networks, and risk in our network supply chain (see detailed climate risk tables on pages 14 – 23). The papers and minutes from ARMC meetings are available to the Board and all directors may attend meetings of the ARMC.

The ARMC is also responsible for Spark's climate reporting in compliance with the Aotearoa New Zealand Climate Standards, with this Climate-related Disclosures Report published alongside our annual financial disclosures. This includes review of the climate-related risks and opportunities identified, which is published alongside our emissions metrics and performance against our climate targets. The Board was engaged in our refreshed climate scenario analysis, undertaken in FY24, to pressure test the climate scenario narratives and validate the identified effects on Spark, and ultimately approves this Climate-related Disclosures report.

The Board is provided a sustainability update on a quarterly basis, including as part of annual integrated reporting for year-end.

In FY25, these updates covered a range of topics, including performance against key performance indicators (KPIs), tracking emissions and energy use. We also report on broader topics, such as climate risk, transition planning, and long-term emissions reduction target setting.

This, together with additional papers that contain climate-related content, mean that climate-related risks and opportunities are discussed regularly at Spark Board meetings.

As the governance body for significant sustainability and climate-related decisions, the Board approves Spark's sustainability framework, policies, and targets (such as Spark's science-based emissions reduction target, and approval of key initiatives such as our renewable energy partnership with Genesis Energy (see page 29).

Our directors are committed to continuously educating themselves to ensure that they have the appropriate expertise and can effectively perform their duties. Sustainability, together with risk management and regulatory expertise, is one of the competencies assessed in our Board Skills Matrix (see page 55 of our Annual Report). While the Board did not undergo specific climate-related training in FY25, the Board has been provided with briefings and sessions to support further development of climate-related risk management skills and to foster its climate expertise, particularly in the processes of our refreshed climate scenario analysis completed in FY24. Expertise is also gained by directors who have directorships in industries with climate risks that are related to Spark's. Jolie Hodson, Spark CEO and Board member, is also a member of the Climate Leaders Coalition Steering Committee. The Climate Leaders Coalition is a CEO-led community of organisations aiming to lead the response to climate change. The Coalition provides opportunities to upskill through fostering connections with other organisations that have signed up to be part of the Coalition.

A description of how the Board considers climate-related opportunities when developing and overseeing Spark's strategy, and the way in which resiliency (related to physical risk) is integrated into our business, is set out in the 'Transition plan elements of Spark's strategy' section on page 8, and in the climate-related risk and opportunity tables on pages 14 – 23.

The Human Resources and Compensatory Committee (HRCC) – a committee of the Spark Board, is responsible for remuneration policies. For our Leadership Squad (direct reports to the CEO) and a select group of senior leaders, a Long-Term Incentive (LTI) scheme forms part of their remuneration package. For the years FY23 to FY25 this scheme included performance measures relating to Spark's Environmental, Social and Governance (ESG) performance, including performance against our emissions reduction target, which constitutes 12.5% of the LTI performance assessment weighting. These long-term incentives relate to performance for the years FY25 to FY27.

An overview of the climate-related risks and opportunities responsibilities between the Spark Board and Management is described in the diagram on page 5.

Management's role in climate-related risks and opportunities

Climate-related responsibilities are assigned across a number of the Spark Leadership Squad and supported by a number of internal governance groups and processes:

- The Chief Financial Officer is responsible for management of our overarching risk management system
- The Corporate Relations and Sustainability Director is responsible for Spark's overall sustainability strategy
- The Network and Operations Director is responsible for our most material climate change risks, which are integrated into the key risk 'Ensuring the performance and resilience of network, infrastructure and ICT technology' in our enterprise risk management system, and progress against our emissions reduction target

For the preparation of Spark's climate-related disclosures, the Board and Leadership Squad established a formal due diligence process, approving the establishment of a Due Diligence Committee to oversee the preparation of the Spark's climate-related disclosures. This Committee is comprised of the Leadership Squad members identified above, as well as Spark's General Counsel. This Committee was first established for our FY24 disclosures, and was re-constituted to provide oversight of this FY25 report.

For broader issues the full Leadership Squad serves as Spark's sustainability steering group, with a standing agenda item each quarter to review performance against sustainability KPIs, discuss risks and opportunities and make decisions related to climate change and our broader sustainability work. The Corporate Relations and Sustainability Director then provides a quarterly sustainability update to the Spark Board. The key sustainability KPI that relates to climate change is our emissions reduction target – see page 27 for more information.

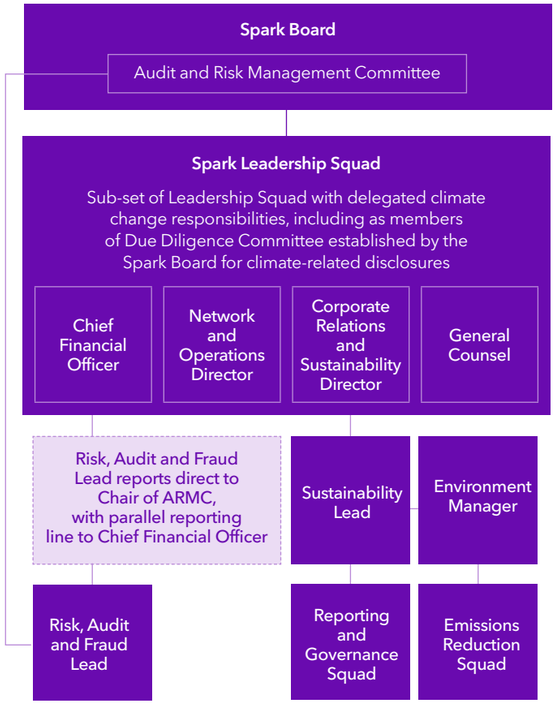
The Leadership Squad was engaged in our refreshed climate scenario analysis, supporting the development of our climate scenario narratives and exploring the identified effects on Spark. This work was completed in late FY24. The Leadership Squad is also engaged in the annual preparation and review of our Annual Report, meaning all Leadership Squad members are informed about climate-related risks and opportunities on an annual basis.

The Leadership Squad is regularly updated on risks identified in our Enterprise Risk Management System. Spark's Risk, Audit and Fraud Lead provides a quarterly update to the Leadership Squad and ARMC, a sub committee of the Board. Our risk management system helps our people to manage uncertainty and adapt to challenges as they pursue our strategy.

A number of supporting squads and steering committees are led by Spark's Sustainability Lead and Spark's Environment Manager. This includes our Governance and Reporting Squad and Emissions Reduction Steering Committee. These squads report progress to the Leadership Squad and Board through the quarterly sustainability updates.

The Governance and Reporting Squad is a cross-functional group accountable for our performance, reporting, and risk management, including representatives from Spark's financial, risk, legal, regulatory affairs, people and culture, and corporate relations functions. The Squad is led by Spark's Sustainability Lead and provides additional oversight and tracking of actions related to climate change. The Emissions Reduction Steering Committee is led by Spark's Environment Manager and comprises senior leaders and Leadership Squad members from Network and Operations and Procurement and Partnerships teams.

Climate governance structure



Strategy and climate change

How climate change may impact Spark now and into the future: scenario analysis, climate transition, risks and opportunities

Our climate strategy and transition plan actions are integrated into our overarching strategy and business processes. This integrated approach to transition planning reflects the connection of the climate transition to business strategy and financial value creation to shareholders. We consider that the core of our business strategy – investment in resilient infrastructure and supporting customers through connectivity and digital technology – combined with the relatively low emissions footprint of our direct operations, is broadly consistent with the need to transition to a low-emissions climate-resilient future. As such, while we anticipate careful evolution of our strategy to respond to climate risks and opportunities in our business and broader value chain, we have not identified that a significant shift of our business model or asset base is required.

As an infrastructure provider we have established processes to manage physical risk across our business, which includes resilience to climate change (alongside other hazards such as earthquake risk). We focus on ensuring that these existing business processes can readily respond to an increase in frequency and severity of climate incidents. Resiliency (related to physical risk) is a key input into our network capital deployment and funding.

The Board and Leadership Squad have considered opportunities from climate change as an input to Spark's strategic evolution. A focus of Spark's new SPK-30 strategy is a better network, linked to resilience, reliability and trust. The strategy is underpinned by a number of enablers, including technology leadership, and sustainability. The sustainability elements of our strategy are expanded in our 'Better Digital Future' sustainability framework, available here. This includes working in our operations and supply chain to reduce climate impact, working with customers and communities to champion digital equity, and supporting Aotearoa's transition to a low-emissions future.

Applying the <IR> Integrated Reporting capitals model (see pages 10 and 11 of our integrated Annual Report) we describe our business model as:

- Investment and innovation in network, technology, and digital infrastructure that enables customers and underpins New Zealand's digital economy
- Market-leading products and services that connect and enable New Zealanders, including businesses and Government
- Sustainable business practices that protect and grow our license to operate and market leadership
- A culture that develops and empowers our people.

The 'Transition plan aspects of Spark's strategy' infographic on the following page provides a high-level view of the key actions across four key focus areas: resilient infrastructure, enabling customer transition through technology, reducing our emissions, and supporting a just transition. This includes metrics and targets we use to track our performance, and how these focus areas are aligned to our funding and capital allocation processes. Examples of how our capital allocation aligns to climate transition opportunities include our acquisition of Adroit, a leading IoT provider that specialises in technology solutions for real-time environmental monitoring. The inclusion of lifecycle energy costs and emissions reduction considerations in capital investment decision processes also aligns capital processes to decarbonisation transition action.

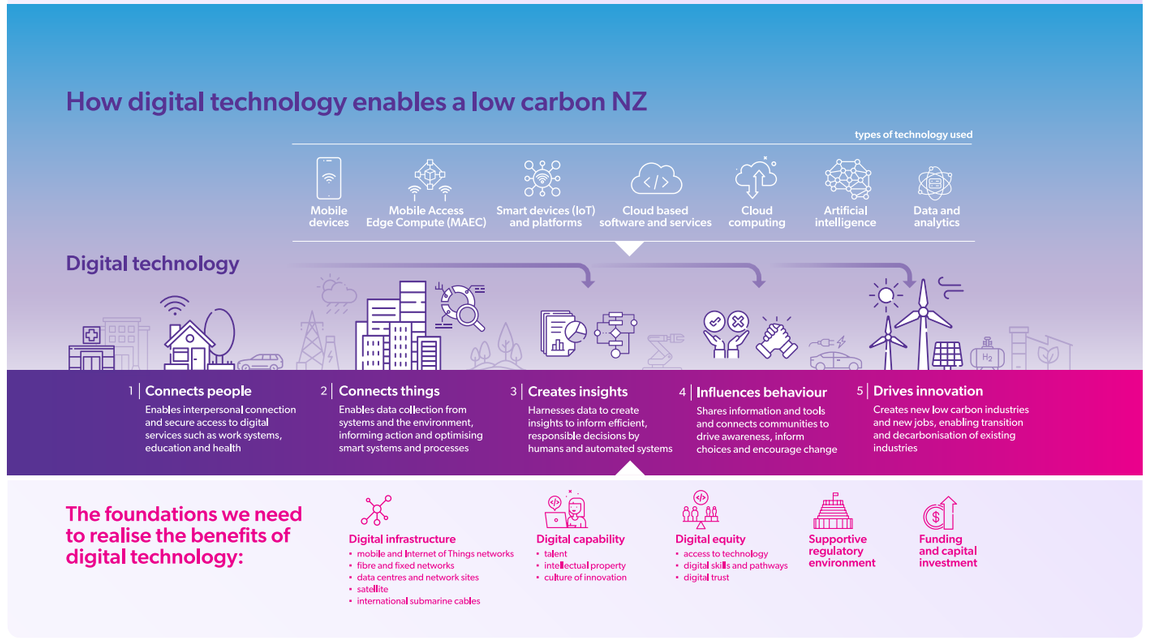
We provide more detailed commentary on transition planning actions in the tables on pages 14 – 23, with actions detailed under 'Management actions/commentary' for each of the material climate-related risks and opportunities identified through our climate scenario analysis. Although supporting a just transition is an important part of our climate transition approach, linked to our focus on digital equity and inclusion, this does not relate to a specific material risk to Spark. Information on our approach to Digital Equity is available in our integrated Annual Report and our website here.

Enabling customer transition through technology

Digital technology has an important role to play in enabling emissions reductions across our economy. The role of digital technology in enabling decarbonisation is broad – it provides secure access to remote services, which helps people to reduce commuting; it can connect and monitor physical assets and natural environments, which creates insights that people and systems can then act on; it can influence behaviour; and it underpins the creation of low-carbon industries and jobs.

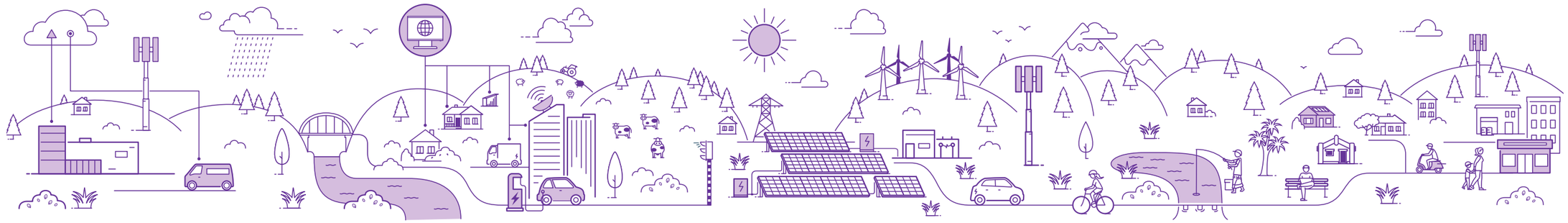
To quantify the potential impact of the role that digital technology can play in reducing emissions, we undertook research with thinkstep-anz which was launched in FY23. At a high level, through this study we found that digital technologies could support significant annual emissions reductions. This highlights the opportunity for Spark to support our customers to respond to climate change. The insights from the research were used as an input in our strategy development, and in our climate opportunity identification. The full report is available here.

We continue to advocate for the role of digital technology in New Zealand's climate change response. In FY24, this included working in partnership with NZTech, the Ministry of Business, Innovation, and Employment, and the Ministry for the Environment, to support the 'Technology for Emissions Reduction' report. This report draws on perspectives from hundreds of New Zealand businesses to provide actionable steps to integrate climate technology into business practices, including a framework for developing a Climate Technology Roadmap for New Zealand.



Transition plan aspects of Spark's strategy

(Current, ongoing actions supporting Spark's climate transition)



Key actions integrated into Spark strategy

Resilient infrastructure

Ongoing investment in infrastructure

- annual investment to build network capacity, coverage, and resilience considering natural risk factors (see p10)
- targeted investment to increase resilience at key sites

Incident response

- our Network Operations Centre (NOC) function coordinates incident response (p15)
- investment to support response, including satellite-connected portable mobile towers, and additional portable generators (see p17)

Advocacy and collaboration

- working with telecommunications and other critical infrastructure sectors on disaster preparedness and during major incidents (see p19)

Enabling customer transition through technology

Focus on technology

- enabling New Zealand businesses to grow and become more productive and sustainable through technology is part of our business strategy
- our analysis of sector-by-sector emissions reduction opportunities has been used as an input to strategy-setting processes
- we have invested in capability through the acquisition of Adroit, a leading IoT provider that specialises in technology solutions for real-time environmental monitoring

Thought leadership and advocacy

- we advocate for the role of digital technology in New Zealand's response to the climate challenge (p7)

Reducing our emissions

Renewable energy partnership

- partnership established with Genesis Energy, linking procurement to new renewable energy generation to decouple Spark's business growth from emissions growth (see page 29)
- Lauriston Solar farm operational in FY25, enabling significant reduction in reported market-based scope 2 emissions
- working to complete the transition to 100% renewable energy from new generation capacity

Decarbonising our operations

- continue to transition our vehicle fleet and optimise fleet efficiency (see page 28)
- improving the energy efficiency of our assets and infrastructure, including through retiring legacy infrastructure (see page 29)
- investigating and adopting low carbon alternatives to refrigerants, fire suppressants and diesel backup generators (see page 28)
- working with our partners to design and deliver more energy efficient networks

Engaging with our suppliers

- continue to work with our suppliers to encourage them to set science-based targets and reduce their emissions (see page 29)

Supporting a just transition

Integration with purpose and strategy

- as our economy decarbonises digital skills and access will become increasingly important for a socially just transition. This aligns with our purpose to support all New Zealanders to win big in a digital world, and is integrated into our strategy through our commitment to digital equity

Community investment

- Spark Foundation leads Spark's digital equity work in the community, funding programmes using a strategic partnership approach

Improving digital access and affordability

- low-cost subsidised broadband service Skinny Jump is delivered in partnership with community providers to reduce barriers to access

Alignment to capital allocation processes

- Improvements to network capacity, coverage, and resiliency is a key input into our capital allocation processes, with the majority of our capital invested into our network infrastructure (see page 26)
- Opportunities are considered through our strategy development process, with investment weighed against other business priorities as part of our ongoing capital management process
- Climate impact and lifecycle energy/carbon costs are included in IVP (Investment Value Proposition) process to support decision making
- Emissions Reduction Steering Committee (page 5) provides forum to highlight investment opportunities to key decision makers, enabling prioritisation
- Our ten-year renewable energy partnership was a financially material long-term commitment requiring Board approval supported by detailed analysis
- Spark has an ongoing commitment to fund Spark Foundation
- Skinny Jump is designed to operate on a not-for-profit basis, with the revenue generated covering programme costs

How we track performance and progress

- Network reliability and coverage measures are integrated into our network strategy and performance tracking
- Revenue linked to opportunities for climate mitigation and adaptation services (see page 22)

Emissions performance is reported to management and the Board quarterly and included in full year reporting annually, including an external audit of the GHG Inventory. Key targets include:

- SBTi target: Scope 1 + 2: 56% reduction in scope 1 and 2 emissions by FY2030 from a FY2020 baseline year (see page 27)
- Scope 3: 70% of suppliers by spend with science based target by 2026 (see page 29)

- The Spark Foundation Board of Trustees monitors progress of Spark's community investments. Skinny Jump performance is reported to management quarterly – in FY25 33,917 households were using the service (up from 31,776 in FY24)

Awards received for reliability and coverage

Our customers rely on us to keep them connected in as many places as possible. Spark invests significantly into our network every year, to expand coverage and capacity, and further strengthen resilience to climate-related risk.

Testament to this, in FY25 we were awarded the Reliability Experience award in The New Zealand Mobile Network Experience Report, released by Opensignal in September 2024[1]. Reliability experience measures the ability of users to connect to, and successfully complete basic tasks on a mobile network such as stream video, browse the internet, and use applications, as well as analysing user experience and connectivity issues. Additionally, we also secured the top position for Coverage Experience. The Opensignal Coverage Experience metric measures the extent of mobile networks in the places people live, work and travel. The metric represents the experience users receive as they travel around areas where they would reasonably expect to find coverage.

Climate scenario analysis

Spark has undertaken climate scenario analysis to help it to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.

Climate scenarios provide an opportunity for organisations to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. They are plausible, challenging descriptions of how the future may develop based on a coherent and consistent set of assumptions about physical and transition risks:

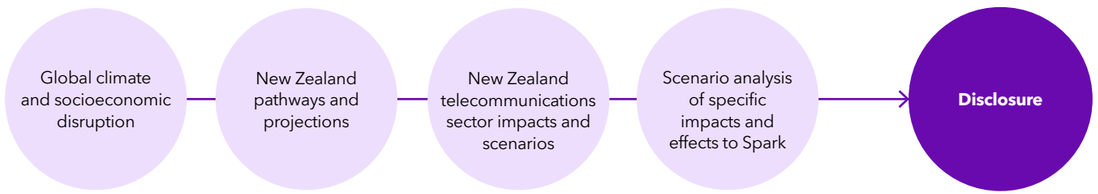
- **Physical risks**: risks relating to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute), such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise
- **Transition risks**: risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change

Spark co-led a sector-wide approach to the development of our climate scenarios. A shared sector approach is recommended by the XRB. The sector scenarios were developed in FY24 through a series of workshops, facilitated by environmental consultancy Tonkin + Taylor and our industry body, The Telecommunications Forum (TCF). The process was guided by a focal question:

"How could climate change plausibly disrupt the telecommunications sector over the short (5 years), medium (15 years), and long-term (30+ years)?"

The sector-wide approach to climate scenario analysis supports collective engagement with other sectors and stakeholders. This is particularly important to inform long-term collaboration and planning and will be a key input to New Zealand's next National Climate Change Risk assessment, due to be published by the Climate Change Commission in 2026. Throughout the process the sector consulted with the Ministry for the Environment, the Climate Change Commission, and representatives from the energy sector who were integrated into the TCF process. Since publication of the sector scenarios the TCF has created an ongoing Climate Change Working Group to continue sector collaboration and to present a single voice for the telecommunications sector in other climate change forums, promoting collaboration with other interdependent sectors.

Stages of scenario analysis



1. Opensignal Awards – New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024 © 2024 Opensignal Limited.

Our three climate scenarios

The three climate scenarios the telecommunications sector selected are outlined in the table on the following pages. These scenarios align to the requirements in NZ CS 1 for entities to analyse three scenarios, with each scenario drawing from a range of widely used global and local scenario archetypes, for example the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs), the National Institute of Water and Atmospheric Research (NIWA) representative concentration pathways (RCP) and the New Zealand Climate Change Commission decarbonisation pathways. They are also based on scenario archetypes that are consistent with those used by other infrastructure sectors in New Zealand. The scenarios were designed and agreed in consultation across the sector. Given the broad range of inputs and alignment to recognised scenario archetypes we believe the scenarios capture a broad set of possible outcomes that are relevant and appropriate to assessing the resilience of our business model and strategy to climate-related risks and opportunities.

A full report of the sector climate scenarios is published on the TCF and Spark websites. This includes detailed descriptions of the emissions reduction pathways in each scenario and the assumptions underlying pathway development over time, including the policy and socioeconomic assumptions and macroeconomic trends.[2] It also includes full descriptions of the relevant scenario narratives, and an outline of the process followed to develop the scenarios. Those descriptions are included in this report by cross-reference. The report is available here.

These three scenarios were used to drive Spark's internal climate scenario analysis, which applied the detailed scenarios to our business and strategy to identify risks and opportunities specific to Spark. This was a stand-alone process, independent of our existing risk governance. The scope of our climate scenario analysis covers all of Spark's operations and the entire value chain, from upstream supply chain impacts to downstream impacts on our customers and the broader economy. It encompasses business activities, operating companies, and subsidiaries. While external stakeholders and partners were involved in the sector-based scenario development, Spark's internal process did not involve any external partners or stakeholders.

The Spark Board and Leadership Squad were engaged in the internal scenario analysis. This process included separate workshop sessions with the full Board and Leadership Squad. The purpose of these sessions was to discuss and pressure test the assumptions behind the three scenarios and to examine the potential effects of each scenario on Spark. This involved testing and building on effects identified by Spark employees as part of the sector-based process. These were considered across a number of categories:

- Economic
- Business-to-business customers
- Consumer customers
- Government and policy
- Infrastructure
- Supply chain
- Investors
- Managed retreat
- Social

Boosting resilience to natural disasters

One of the main reasons for telecommunications outages in a natural disaster is a loss of power or backhaul (fibre between cell sites that connects local towers to the core network). Most of our cell sites are equipped with battery backup and the ability to connect standalone generators when those battery reserves are exhausted. Over the past year, we have been working to extend battery life on critical sites to ensure they can withstand longer power outages. We are also rolling out a monitoring solution that will enable our cell sites to detect when they are unable to draw power from the grid, report real-time power consumption, and conserve power by automating decision-making to prioritise connectivity for essential communications such as calls and texts.

We have been working to establish a network of satellite-connected small cells throughout the country, which can be deployed to provide access to a basic level of mobile connectivity during emergencies when fibre backhaul becomes compromised. These satellite-connected emergency small cells are housed in strategic locations around the country, including Northland, Auckland, Gisborne, Palmerston North, Canterbury, and Westport, making them readily available to deploy in a disaster.

In June, this satellite solution was successfully deployed in Murchison, when areas of the South Island were impacted by severe flooding and storms. This was the first time we used this type of solution as part of our standard emergency response.

We also work collaboratively with our peers on disaster preparedness and during major incidents. The sector comes together through our industry group, the Telecommunications Forum (TCF), which coordinates operators, other infrastructure sectors, including electricity and roading, as well as government, to restore services.

2. See Section 4 and Appendix A of the sector climate scenarios. The assumptions used to create the sector scenarios were those that were considered to be most relevant to the sector. Specific assumptions were not included relating to energy pathways, carbon sequestration from afforestation, climate technology such as negative emissions technology, and nature-based solutions.

The outputs of these workshops shaped the climate-related risks and opportunities disclosed in our FY24 climate disclosures. This was reviewed as a part of the Board approved due diligence process, which was overseen and coordinated by the Due Diligence committee (see 'Management's role in climate-related risks and opportunities' section, page 5).

This scenario analysis remains the basis of our updated climate-related risk and opportunity disclosure for FY25. We believe this is appropriate as the three sector scenarios remain plausible descriptions of how the future may develop, based on current understanding. As the global climate context evolves it may be appropriate to refresh the underlying scenario analysis for future years. However, this is not expected to be an annual process.

In this Climate-related Disclosure Report we have reviewed and updated our detailed climate-related risk and opportunity tables (pages 14 – 23). This includes additional commentary on current impacts, including reporting current financial impact. Members of the Leadership Squad have reviewed and approved the updated disclosure, including as part of the Due Diligence Committee processes. The Board has reviewed and approved the updated FY25 climate-related risks and opportunities disclosed in this report.

Physical risk analysis

As part of our scenario analysis process we updated our physical risk analysis against climate models newly released by the Ministry for the Environment in 2024. This analyses risk to our infrastructure and assets against the risks of sea level rise/coastal flooding, temperature, wind and rain pattern changes. This modelling provides information on the number and location of sites that may be of greater risk, and enables us to quantify the scale of potential impact and the investment required to mitigate risk, for example by strengthening or relocating vulnerable sites. We updated this analysis against our current assets based at the end of FY25, adding new sites added over the past financial year.

Through the analysis we identified a small number of assets vulnerable to direct physical risks. This includes 25 mobile sites and one regional exchange vulnerable to coastal flooding under a 20cm sea level rise scenario, equating to less than 2% of our infrastructure sites. This analysis is against 2041 – 2060 time period data aligning with our 30-year time horizon. We acknowledge the limitations and uncertainty of this mapping approach. We note that our analysis does not factor risk to interconnected infrastructure, nor does it include more sophisticated analysis of the impact of climate change on pluvial (surface water flooding or flash flooding) and fluvial (river bank bursting or overflowing) flooding risk, or other climate risks such as fire.

Real-time flood monitoring for Hawke's Bay

In FY25 we supported Hastings District Council to improve flood resilience by using real-time Internet of Things (IoT) sensor technology to protect communities in high-risk areas.

In the aftermath of Cyclone Gabrielle, the Council was looking for a smarter, faster way to detect and respond to rising stream levels across Havelock North. Partnering with engineering consultancy Beca, we deployed a network of solar-powered sensors to monitor water levels at 15 key sites – transmitting data via our IoT network, with satellite connectivity as fallback in low-coverage areas.

These sensors feed critical data to our Adroit cloud platform, where automated alerts flag rapid water-level increases, and trigger early warnings to Council teams and emergency agencies. From there the data is integrated into a public-facing dashboard, giving residents real-time visibility of stream activity and empowering them to assess local risk and respond more effectively during severe weather events.

The project is the most comprehensive deployment of environmental sensors for flood detection in New Zealand to date. It also marks the first time a Council has committed to making this level of real-time flood data available to the public – enhancing transparency, trust, and community preparedness.

With a scalable platform and a growing suite of environmental sensors, Spark is enabling local councils to respond more effectively to climate-driven challenges – improving decision-making, safety, and long-term infrastructure resilience across the country.

Our climate scenarios

(Developed for FY24 telecommunications sector climate scenario analysis)

	Scenario #1: Orderly transition	Scenario #2: Disorderly transition	Scenario #3: Hothouse
Brief description of scenario narrative (further detail included in sector scenarios)	New Zealand and the world transitions to net zero by 2050 with strong policy and market changes clearly signalled by the government. Physical impacts from climate change are limited and align with the SSP1-1.9 scenario. Average global temperatures are limited to 1.5˚C above pre-industrial levels by 2050.	New Zealand and the developed world are delayed in their transition to net zero. This results in a steady increase in temperature and physical impacts in alignment with SSP2-4.5 (2 degrees by mid-century). By 2030, prompted by a number of significant weather events, NZ and the developed world realise that urgent action is needed to reach net zero, which results in poorly signalled policy and market changes coinciding with increased adaptation and recovery costs creating significant medium-term challenges.	New Zealand and the world abandon net zero targets, and there is no national or global movement to reduce emissions. Existing policies are reversed, and fossil fuel use continues. Physical impacts from climate change are severe with annual average global temperatures rising to 2 degrees above pre-industrial levels by 2050 and 3.6 degrees by 2100 (in alignment with SSP3-7.0).
Scenario datasets	• Intergovernmental Panel on Climate Change: SSP1-1.9 • NIWA: RCP 2.6 • Climate Change Commission: Tailwinds pathway	• Intergovernmental Panel on Climate Change: SSP2-4.5 • NIWA: RCP 4.5 • Climate Change Commission: Headwinds pathway	• Intergovernmental Panel on Climate Change: SSP3-7.0 • NIWA: RCP 8.5 • Climate Change Commission: Current policy
Global temperature change	1.5˚C	<2˚C	>3˚C
Transition risk	Highest	Medium	Lowest
Physical risk	Lowest	Medium	Highest
Policy response	Early and strategic	Slow until 2030, then reactive and significant	Slow, market-led, focussed on adaptation
Economic impact	Highest in 5-year horizon, lowest over 30+ years	Highest over 15-year horizon	Highest over 30+ year horizon

Time horizons for scenario analysis

	Short term	Medium term	Long term
Time horizon	5 years	15 years	30 + years*
Year relative to baseline year (2024)	2030	2040	2055+
Rationale for selection and link to strategic planning horizons and capital deployment plans	Aligns with emissions reduction target and with future-facing investment horizon	Aligned with typical life of technology assets	Aligned with further materialisation of physical risks, particularly on infrastructure.

*For risk analysis we used a timebound 30-year horizon. The 30+ year time horizon was used for long-term scenario development.

Climate-related risks and opportunities

The tables below outline the current impacts of climate change on Spark's business, and climate-related risks and opportunities that Spark has identified over the short, medium, and long-term. As many of the risks and opportunities identified are present across all time horizons we have explained the trend that these risks and opportunities follow across time horizons, identifying the horizon in which the risk or opportunity is most significant. The tables also include information relating to the anticipated impacts of Spark's climate-related risks and opportunities.

Where we have reported a quantified current financial impact we have explained the methodology and data included in each calculation. We acknowledge that the precise quantification of current climate-related financial impact is subject to significant uncertainty, and that isolating climate-related factors from interrelated factors is not always possible. Through this financial quantification disclosure our objective is to provide transparent and useful data to provide context on the scale of climate-related impacts and costs on our business over the past year.

Physical risks

Damage to Spark infrastructure

Risk description
Increased weather events may result in increased damage to Spark sites. This includes active mobile network equipment, exchanges, data centres and data transport networks

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under Hothouse scenario

Current impacts

In FY25 we did not observe a significant change in the frequency or intensity of weather events that impacted our operations, with a number of localised outages managed as business-as-usual. While we experienced no single events causing widespread outage at a regional scale, localised weather events occurred in line with previous years. Our network was resilient to these events and we were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

Year-on-year there was no material change in reactive maintenance costs that could be attributed to long-term increases in frequency or intensity of weather events.

We saw no direct climate-related impact on our insurance costs in FY25. We also saw no climate-related increase in costs of new infrastructure.

No identified climate-specific impact in FY25

Note: We have quantified specific climate-related FY25 investment in network resilience in the "Disruption to supporting infrastructure" physical risk on the following page 16. This is because the majority of our climate-related investment in network resilience is to address failure to supporting infrastructure, including power and fibre networks. This includes investment in batteries, generators, portable cell sites and satellite backhaul technology.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased reactive maintenance costs (labour, fleet, contractors, and parts)
- Increased customer disruptions impact revenue, brand, and reputation
- Increased insurance cost
- Increased costs of new infrastructure builds to meet higher climate resilience standards, e.g. data centres

We anticipate impacts to be limited. Our physical risk analysis (see the 'Physical risk analysis' section on page 12 for a summary of the process and limitations of our analysis) shows only a small number of Spark sites are likely to face significant risk of direct physical damage, with a small number of mobile sites, and one regional exchange, in locations vulnerable to coastal inundation and flooding over a 30-year horizon.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in network capacity and resilience annually, which is a key part of our business model. Investment to support the growth in capacity of our network, such as the rollout of new mobile sites, also provides network redundancy and protects against other physical hazards, such as earthquake and tsunami risks.

For this reason it is not possible to isolate climate-specific investment. **In FY25 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.**

Existing exchange buildings and data centres have been carefully located considering physical hazards. New data centre builds account for future climate scenarios.

Our three geographically diverse, resilient network data centres provide core voice and mobile services, with each core able to operate independently and support our total national demand.

We have strengthened our high-speed fibre optic backbone, which carries data across the country, and are now extending its reach to more regional areas. This ensures better connectivity and faster recovery in the event of an outage, with multiple redundancy paths and automated technology to diagnose and resolve network issues.

All network outages are managed through a centralised Network Operations Centre (NOC). The NOC function is based across multiple geographically diverse locations, supported by our strategic network partners in New Zealand and overseas. It is supported by a unified monitoring system, improving coordination and making it easier to respond to network issues quickly.

Spark's Outage Assist service notifies customers when we detect fixed-broadband service outages. Eligible Spark mobile customers can receive free mobile data, calls and texts to stay connected during the outages.

For more detail refer to the **Boosting resilience to natural disasters section** (page 11).

Physical risks (continued)

Disruption to supporting infrastructure

Risk description
Increased weather events result in more outages and disruption to infrastructure that supports Spark's operations

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

As per the physical risk 'Damage to Spark infrastructure' on the previous page, in FY25 we did not observe a significant change in the frequency or intensity of weather events that impacted our network, with a number of localised outages managed as business-as-usual. While we experienced no single events causing widespread outage at a regional scale, localised weather events occurred in line with previous years. Our network was resilient to these events, including outages to supporting infrastructure, and we were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

As per 'Damage to Spark Infrastructure', year-on-year there was no material change in reactive maintenance costs related to weather events, including costs that could be attributed to long-term increases in frequency or intensity of weather events, including costs related to failures in supporting infrastructure such as power outages.

In FY25 resilience and readiness investments included:

- Upgrade of portable cell sites which are deployed in case of outages
- Expanded battery backup at a number of sites
- Investment in additional generator sets (via our partner Connexa), which have been distributed to key sites around the regions
- Investment in satellite capable backhaul equipment to be deployed reactively to sites that have lost connection

These costs to Spark are included in the financial impact quantification below.

FY25 financial impact: ~$2m

Note: In FY25 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increase in damage to passive tower infrastructure (e.g. tower masts) causes outages or creates damage to Spark's active infrastructure
- Increase in frequency and duration of grid outages results in increased network outages
- Increased frequency of backhaul (fibre) outages caused by flooding, landslips, and road and/or bridge damage along transport corridors
- Increased damage to road transport networks limits ability to reach sites to perform maintenance and upgrades or address outages, e.g. installing and/or fuelling generators, restoring backhaul connectivity etc.

Damage to supporting infrastructure is potentially material in many regions. The majority of outages to Spark's network are caused by damage to supporting infrastructure, particularly electricity transmission damage causing extended power outages. Damage to roads exacerbates outages as it limits access to repair electricity lines, or to access Spark sites to install temporary generators.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in resilience to supporting infrastructure outages. Investment to protect against disruption to supporting infrastructure includes power backup and alternatives to fibre backhaul, allowing our sites to maintain connectivity whilst other infrastructure is unavailable. This investment also protects against other physical hazards, such as earthquake and tsunami risks.

For our mobile network we have invested to extend battery life on major, critical mobile sites to ensure they can withstand power outages for longer periods of time, alongside improvements to cell tower management during outages to prioritise connectivity for essential communications functions such as calls and texts.

For prolonged outages portable generators are used to provide power to mobile sites. Large-scale fixed generators are in place at critical exchange and data centre sites, which can operate continuously without grid power.

As we invest in new and expanded network capacity, including the rollout of 5G technology, we also invest in upgraded power backup. This includes investing in greater battery storage at 5G sites where power consumption has increased in line with additional capacity. Through our network partner Connexa we have also upgraded the capacity of portable generators to ensure they are able to meet these increased power needs.

To improve backhaul resiliency we have established a network of satellite-connected temporary small cell sites throughout the country for use in emergencies. We are also investigating backup satellite backhaul at a number of permanent cell towers.

For more detail refer to the **Boosting resilience to natural disasters section** (page 11).

Supply chain disruption

Risk description
Physical climate impacts (e.g. factory fire/flooding) disrupt global supply for critical inputs, including network equipment and customer devices. Increased global weather events increase competition and demand for network spares.

Time horizon
Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest
Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

We have not identified any significant global supply chain disruption linked to weather events in FY25

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Constrained supply of network equipment increases costs, limits ability to respond to reactive maintenance needs, and slows opportunities for investment in new technologies
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand, and reputation

Management actions/commentary (transition planning actions integrated into strategy)

Through our annual supplier ESG survey we ask priority suppliers to share their processes to identify climate-related risks in relation to the provision of products and services to Spark and other customers. This includes information on identified risks and mitigations.

For supply chain and strategic partners a key consideration is diversity to reduce single points of failure and build resilience.

For critical inventory items and spares we continually review our working capital levels to hold appropriate levels of stock in-country.

Transition risks

Telecommunications market disruption

Risk description
Customers in rural or vulnerable locations shift to satellite or alternative technologies due to concerns over resilience of connectivity due to physical climate risks

Time horizon
Already happening to a degree, likely to increase to be most material in the 15-year time horizon

Scenario where risk is greatest
Present in all scenarios

Current impacts
We have not identified any climate-specific impacts in FY25.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:
- Loss of customers in rural and/or vulnerable locations to satellite providers

Management actions/commentary (transition planning actions integrated into strategy)
Technology evolution will continue to influence the market. Over short/medium term it is clear that satellite can complement telecommunications, enabling customers to be served in areas where it is uneconomic or not viable to provide mobile connectivity or there is greater risk of service disruption due to climate-related events. Many of the people in remote locations who have already adopted satellite broadband are likely to have done so for non-climate reasons. We are working in partnership with satellite providers to provide satellite-enabled services to our customers.

Over the long-term 30+ year horizon there is lower certainty on the impact of technology evolution on Spark.

Regulation and government intervention

Risk description
Regulation of network resilience standards, coordination of managed retreat

Time horizon
Most likely under the Orderly scenario in the 5-year horizon (risk of inflexible regulation)

Scenario where risk is greatest
Most likely under the Disorderly scenario in the 15-year time horizon (risk of uncoordinated approach)

Current impacts
We identified no specific climate-related impacts from regulatory interventions requiring additional investments during the year

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:
- Inflexible regulation could mandate inefficient investment and reduce ability to innovate and adapt to evolving technologies, e.g. satellite. (Most likely under the Orderly scenario in the 5-year horizon)
- Uncoordinated approach to managed retreat may lead to investment uncertainty. (Most likely under the Disorderly scenario in the 15-year time horizon)

Management actions/commentary (transition planning actions integrated into strategy)
We are engaging with local and central Government to advocate for a coordinated approach to adaptation and resilience with clear cost benefit analysis supporting any new standards.

Supply chain disruption

Risk description
Rapid adoption of low-emissions technologies disrupts supply of input materials to digital technologies

Time horizon
Most likely under the Orderly scenario in the short-term 5-year horizon (constrained supply of network equipment)

Scenario where risk is greatest
Most likely under the Disorderly scenario in the 15-year time horizon (disruption to customer devices)

Current impacts
We have not identified any climate-specific impacts in FY25.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:
- Constrained supply of network equipment increases costs and limits ability to respond to reactive maintenance needs, also slowing opportunities for investment in new technologies. (Most likely under the Orderly scenario in the short-term 5-year horizon)
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand and reputation. (Most likely under the Disorderly scenario in the 15-year time horizon)

Management actions/commentary (transition planning actions integrated into strategy)
We are engaging with priority suppliers to understand their climate risk processes and critical failure points.

For critical inventory items and spares we work with our suppliers and partners to ensure we hold appropriate levels of stock in-country.

Transition risks (continued)

Economic disruption

Risk description
GDP reduction caused by economic transformation and climate events

Time horizon
Likely in Disorderly due to combined transition and physical impacts in 15-year time horizon

Scenario where risk is greatest
Likely in Hothouse scenario due to significant long-term physical impacts in 30+ year time horizon

Current impacts
As a long-term macro economic issue it is not possible to isolate any particular impacts on Spark in FY25.

Current financial impact (including adaptation costs)
We are unable to quantify impact on a short-term annual basis. On an annual basis we consider this to be unmeasurable unless there is a single (or series of) significant events that result in measurable economic contraction. There were no significant events noted in the past 12 months.

FY25 financial impact: NOT QUANTIFIABLE

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Reduced revenue caused by reduced economic activity that is unevenly distributed across customer sectors

Management actions/commentary (transition planning actions integrated into strategy)
We maintain a flexible business plan and can adjust to shifting economic conditions. We are planning for long-term climate impacts across our customer base by understanding exposure to high-risk sectors and regions.

Meeting stakeholder expectations

Risk description
Increased expectations to reduce climate impact drive stakeholder behaviour change, including investors, customers and communities

Time horizon
Most likely in the short-term 5-year horizon

Scenario where risk is greatest
Most likely under the Orderly scenario

Current impacts
No negative impacts identified in FY25. In the past year the opening of the Lauriston solar farm will support our long-term emission reduction through our ten-year renewable energy partnership with Genesis Energy. Our long-term energy commitment is anticipated to reduce electricity costs over the ten-year period. See page 27.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- **Investors**: Shifting capital to low-carbon, low-risk organisations that are well-positioned for climate transition and other ESG risks
- **Customers**: Consumers and business customers shifting spend to organisations aligned to their climate expectations and broader sustainability concerns
- **Renewable energy**: Risk that insufficient new renewable energy generation capacity limits data centre growth opportunities due to customer requirements and national decarbonisation expectations

Management actions/commentary (transition planning actions integrated into strategy)
ESG (environment, social and governance) is integrated into our business strategy. We have a Sustainability Framework that guides continual improvement, and clearly established governance frameworks with oversight at the highest level, through our Board.

We have established a near-term science-based emissions reduction target for our scope 1 and 2 emissions, which has been verified by the SBTi (see page 27). This establishes our own internal decarbonisation pathway, against which we are tracking progress. Initiatives include our ten-year renewable energy partnership with Genesis Energy that supports the generation of new renewable energy in New Zealand (see page 29).

We benchmark our performance via the Corporate Sustainability Assessment, which informs the Dow Jones Sustainability Index.

For more detail refer to www.spark.co.nz/online/about/sustainability

Access to capital

Risk description
Climate-related disruption to global markets limits long-term access to capital

Time horizon
Not a short-term risk. Most significant in the 30+ year time horizon

Scenario where risk is greatest
Most significant under the Hothouse scenario

Current impacts
This is a long-term risk. In FY25 we have not identified any instances where investors in Spark have shifted capital away or towards Spark for climate-related reasons.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY25

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Limited access to capital for future investment

Management actions/commentary (transition planning actions integrated into strategy)
We are not a heavy emitting business, and as outlined above, we have an approach to ESG that drives continual improvement. As a digital services company, we enable climate mitigation and adaptation through the services we provide. On this basis we believe that climate risk is unlikely to limit Spark's long-term access to financial capital.

Climate-related opportunities

COMBINED CURRENT IMPACTS
Opportunity for climate mitigation and adaptation services

Current impacts

Many of our existing IoT services, including connectivity and monitoring solutions, are linked to climate benefits. An example is connectivity services related to smart energy meters, which can enable climate mitigation innovation through a smarter, connected grid alongside other benefits to customers.

These services provide an ongoing source of revenue to Spark.

Current financial impact (including adaptation costs)

Includes revenue from:

- connectivity services for IoT customers used in monitoring, e.g. smart energy meters, environmental monitoring
- specific customer solutions, e.g. environmental monitoring, fleet tracking

FY25 financial impact: ~$15m revenue

Opportunity for climate mitigation services

Opportunity description: Innovation and provision of digital and high-tech services that support customers to become more productive, efficient and sustainable

Time horizon

Most significant in the 5 and 15-year horizons

Scenario where opportunity is greatest

Most significant under the Orderly scenario

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from connectivity services and or advanced/converged digital solutions which drive efficiency, e.g. GPS fleet optimisation, industrial process automation

Management actions/commentary

(transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year.

We have completed research on the key sectors where the greatest emissions reduction opportunities lie. We have partnered with NZTech to promote the integration of these opportunities into New Zealand's national emissions reduction planning. We continue to advocate for the role of digital technology in addressing climate-related challenges.

For more information see the Enabling customer transition through technology section (page 7)

Opportunities for climate adaptation services

Opportunity description: Providing services to enable customers to adapt to climate change, including environmental monitoring to track physical risks such as flooding, wind, fire etc.

Time horizon

Present across all scenarios and time horizons, but most material across the following:

Disorderly – 15 years
Hothouse – 30+ years

Potential impacts

(anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from IoT and monitoring services, which monitor climate risks

Management actions/commentary

(transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year. This includes the integration of environmental IoT company Adroit, which was acquired in FY24 and now forms part of Spark IoT.

Climate risk management

How climate-related risks are identified, assessed and managed

Processes and tools for identifying, assessing, and managing climate-related risks and integration into overall risk management processes

Our climate scenario analysis is our primary process for identifying new and emerging risks and opportunities from climate change. We completed our first climate scenario analysis in FY21, the results of which were published in our FY21 Annual Report. The risks and opportunities identified through this process have been reviewed annually by our Board and Leadership Squad as part of annual reporting processes. For FY24 we refreshed our scenario analysis, with this updated scenario analysis forming the basis of the climate-related risks and opportunities disclosed in this FY25 report. See the 'Climate scenario analysis section on page 10 for more information on the processes we have followed to identify and assess risk, and the time horizons considered by our analysis. The scenario analysis processes undertaken consider Spark's entire value chain.

Our climate scenario analysis is an input into our overarching risk governance. Our risk policy and framework are benchmarked to COSO ERM 2017 (COSO), a leading practice risk management standard. We also use other leading risk management standards like ISO31000:2018 and specific standards and guidance, where available, to benchmark and inform our risk management practices.

Within our overarching risk framework, we update our principal risk profiles twice a year. Our risk framework is how we prioritise different types of risks across the organisation. This considers risks to Spark delivering against its five-year strategy. The materiality of risks is considered against the likelihood of occurrence and the scale of financial impact. 'Ensuring the performance and resilience of network, infrastructure and ICT technology' is one of the principal risks, which includes physical adaptation risk to our networks, and risk in our network supply chain, aligned to the physical risks identified through our climate scenario analysis. See the Managing Risk section of our FY25 Annual Report (page 69) more detailed information on how Spark manages principal risks.

To ensure linkage between our principal risk processes and our sustainability/ESG risks (including climate change) we include a summary of sustainability risks in quarterly risk reporting to our Board and Leadership Squad. This lists our most material sustainability topics, identified through our sustainability materiality processes and our climate scenario analysis. We also map these topics across to our principal risks to show how we have integrated emerging and longer-term issues into our enterprise risk management approach.

The timeframes for our climate scenario analysis (5, 15 and 30+ years) extend beyond the time horizons considered by our principal risk assessment which is aligned to our five-year strategy horizon.

For emerging risks that fall outside of the principal risks described above, we identify actions for managing those risks outside the enterprise risk system. An example of this is the research published into the role of digital technology in supporting emissions reductions (see page 7).

Climate metrics and targets

How Spark measures and manages climate-related risks and opportunities, including our emissions targets and performance

Climate-related metrics

The table below sets out our key climate-related metrics by reference to the relevant paragraph of NZ CS 1. Outside of the metrics below, Spark does not use any industry-based metrics or key performance indicators to measure and manage climate-related risks and opportunities. We have included information relating to the methods, assumptions and uncertainties associated with the below metrics within the table, with further detail of the methods, assumptions and uncertainties relating to our GHG emissions outlined in our GHG inventory report (Appendix 1 of this report). Please see Appendix 2 for the Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures provided by Deloitte.

	Metric Category	Metric	Notes
22(a)(i)	Scope 1 emissions (including comparatives and analysis of trends)	FY25: 4,732 tCO_2e FY24: 4,670 tCO_2e FY23: 2,694 tCO_2e	See our GHG Inventory Report for breakdown of scope 1 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(a)(ii)	Scope 2 emissions (location-based) (including comparatives and analysis of trends)	FY25: 15,980 tCO_2e FY24: 11,684 tCO_2e FY23: 10,301 tCO_2e	Using location-based method required by NZ CS 1. See our GHG Inventory Report for breakdown of scope 2 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
	Scope 2 emissions (market-based) (including comparatives and analysis of trends)	FY25: 13,998 tCO_2e FY24: 12,204 tCO_2e FY23: 10,624 tCO_2e	Using market-based approach aligned to our existing GHG reporting against our SBTi target. See our GHG Inventory Report for breakdown of scope 2 emissions (page 32) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(a)(iii)	Scope 3 emissions	FY25: 212,909 tCO_2e FY24: 397,721 tCO_2e	See our GHG Inventory Report for breakdown of scope 3 emissions (page 33) and 'Our emissions performance' for comparatives/analysis of trends (pages 28, 29).
22(b)	GHG emissions intensity	FY25: 0.062 $kgCO_2e$ / $ revenue FY24: 0.107 $kgCO_2e$ / $ revenue	Calculated as total scope 1, 2 (market-based) and 3 emissions divided by reported revenue.
22(c)	Transition risks – amount or percentage of assets or business activities vulnerable to transition risks	FY25: Not quantifiable for individual assets or activities (unchanged from FY24).	We have identified enterprise-wide transition risks, with the most material risks related to medium/long-term economy-wide economic impacts of climate change. As such, these relate to the entire Spark business rather than to an identifiable amount or percentage of assets or business activities.
22(d)	Physical risks – amount or percentage of assets or business activities vulnerable to physical risks	FY25: <2% of all sites identified in physical risk analysis. FY24: <2% of all sites identified in physical risk analysis.	Refer to the Physical risk assessment section on page 15.

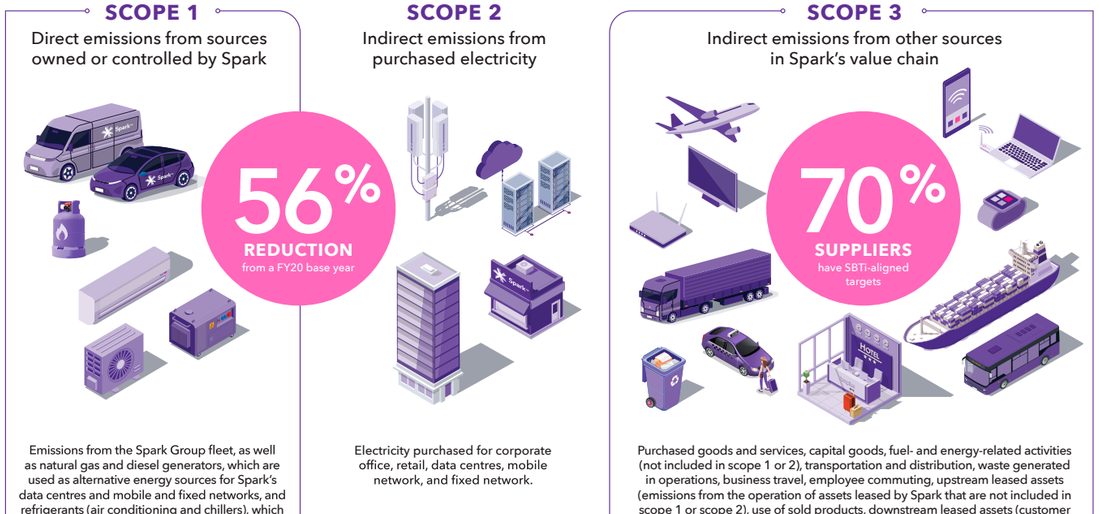
	Metric Category	Metric	Notes
22(e)	Climate-related opportunities: amount of percentage of assets or business activities aligned with climate-related opportunities	FY25: Not quantifiable for individual assets or activities (unchanged from FY24).	It is not possible to distinguish climate-related opportunities from broader telecommunications and digital service assets and activities. Our infrastructure, (e.g. mobile networks, data centres) supports solutions aligned to climate-related opportunities, as they enable technologies and services that deliver climate mitigation and adaptation.
22(f)	Capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	FY25: Not quantifiable (unchanged from FY24).	Due to the nature of our business, the majority of Spark's capital expenditure is to build capacity, coverage, or resilience of our infrastructure – all of which contribute towards addressing both climate-related risks and opportunity. For example, our investment in network resilience, expanded mobile networks and data centres.
22(g)	Internal emissions price: price per metric tonne of CO_2e used	Range considered, escalating over time: $72.1-$88.3 (FY24) $76.8-$97.5 (FY25) $100.0-144.0 (FY30)…	We have used a range of escalating emissions prices, including an emissions price aligned to the Climate Change Commission's demonstration pathway, to assess and compare emissions reduction opportunities. We have built indirect carbon cost into energy cost models for investment analysis, incorporating Renewable Energy Certificate (REC) costs into lifecycle energy cost.
22(h)	Management remuneration linked to climate-related risks and opportunities		Refer to the 'Climate Governance' section on page 4.

GHG emissions reporting approach

	Disclosure requirement	Approach
24(a)	GHG measurement / reporting standards	Our GHG Inventory report has been prepared in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* ('the GHG Protocol') and *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard* (2011) ('the Corporate Value Chain').
24(b)	GHG consolidation approach	Operational control approach: A detailed description of consolidation approach is available on pages 35 – 36 under 'Organisational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).
24(c)	Source of emissions factors and GWP rates	A detailed list of emissions factors and GWP rate sources is available for each scope/category in the tables on pages 38 – 43 under 'FY25 Emissions Source Inclusions', and under 'References' on page 44. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).
24(d)	Summary of specific exclusions from emissions reporting	A detailed description of our reporting methodology and approach is available on pages 37 – 43 under 'Operational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report).

Our short-term emissions reduction target

Spark's scope 1, 2 and 3 emissions



Spark's emissions reduction target received verification by the Science Based Targets initiative (SBTi) in 2021. SBTi targets must have a strict absolute reduction target for scope 1 and 2 emissions, and also include a separate scope 3 target if these emissions are greater than 40% of the total footprint. SBTi targets are set against sector-specific emissions trajectories. The ICT sector pathways were developed with the International Telecommunications Union (ITU) based on projected growth and efficiency gains. The wording of targets are set and verified by the SBTi, and follow a common format requiring companies to 'commit' to the target that has been established. For Spark this is as follows:

- Spark New Zealand commits to reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY2020 baseline year.
- Spark New Zealand commits that 70% of its suppliers by spend covering purchased goods and services and capital goods, will have SBTi-aligned targets in place by 2026.

This means Spark is committed to pursuing this target and we are working towards it. For clarity, this is not a guarantee that we will meet this target.

Our scope 1 and 2 target has been verified by SBTi as in line with a 1.5 degree pathway for the period to FY30. We use a market-based approach to calculate baseline year emissions and to track performance against the target. Our supplier target is an engagement target, which means that it does not directly require us to reduce our emissions, but indirectly contributes to limiting global warming to 1.5 degrees by requiring us to engage with our suppliers in relation to setting their own science-based targets.

To achieve our target, we are pursuing emissions reductions within our direct value chain. Spark does not intend to use carbon offsets to achieve our target. This approach aligns to SBTi rules which do not allow carbon offsets to be counted against emission targets.

Long-term emission reduction target setting

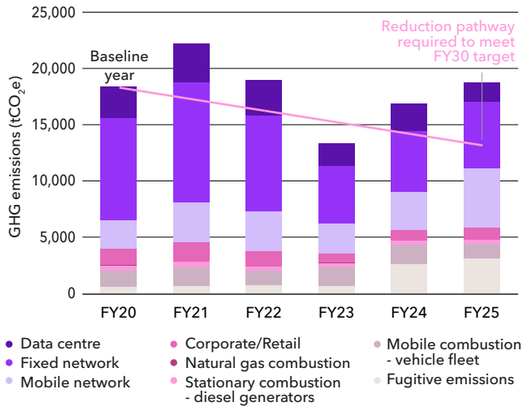
We have deferred setting longer-term emissions reduction targets awaiting the conclusion of the process to seek a capital partner for our data centre assets. Across our portfolio the greatest long-term driver of electricity use growth has been from our data centre sites. Historically these sites have been accounted for under our operational control approach to reporting, with 100% of emissions included in our reporting boundary and within our emissions reduction targets. With the announcement that Pacific Equity Partners (PEP) has signed an agreement to purchase a 75% interest in our data centre business, which happened after the conclusion of FY25, our reporting boundary around data centre operations is likely to change. This will be a consideration for our FY26 reporting.

With this greater certainty on the scope of our emission reporting and targets, a focus for FY26 is to establish long-term emissions reduction targets for our scope 1, 2 and 3 emissions. This will consider international guidance, and how Spark contributes towards New Zealand's net zero 2050 targets.

Performance against our emissions reduction target

Please see pages 32 – 34 for our detailed scope 1, 2, and 3 disclosure tables which are contained within Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25.

Performance against our emissions reduction target (scope 1 and 2)



Our emissions performance

Emissions reduction does not track in a straight-line trajectory, and often occurs in step changes tied to specific initiatives. We remain committed to our FY30 emissions target and we are taking meaningful steps to work towards our emissions reduction target, with progress made on underlying performance in the past year which lays the foundation for future emissions reduction.

A significant initiative that launched in the second half of the year was the commencement of our ten-year renewable energy partnership with Genesis Energy, which enables Spark to reduce our reported (market based) scope 2 emissions through linking emissions, from electricity consumption to new renewable generation.

In FY25 our scope 1 and 2 emissions increased 11.0% year-on-year, 2.1% above our FY20 baseline year. Our emissions are tracking 41.8% above our emissions trajectory, plotted as a straight line between our FY20 baseline and FY30 target year.

Our scope 1 emissions increased 1.3% year-on-year. This includes a significant reduction in fleet emissions, down 26.3%. This is offset against an 18.8% increase in fugitive emissions, the majority of which relate to a single event. See the sections below for more detail on each of these scope 1 categories.

Our scope 2 electricity use, which powers our networks and infrastructure, remains our largest overall source of emissions related to our direct operations, at 74.7% of our total scope 1 and 2 emissions. These emissions are influenced by several factors, including the national grid emissions factor which increased in the past year due to the winter energy crisis. This was caused by a reduction in hydroelectric generation, meaning more coal was burnt to meet electricity generation needs. As a result, the market-based emissions factor we use to report our scope 2 emissions increased by 45.6%. Our new partnership with Genesis will allow us to decouple some of our market-based scope 2 emissions reporting from the national grid emissions factor.

Scope 1 emissions: Fugitive emissions

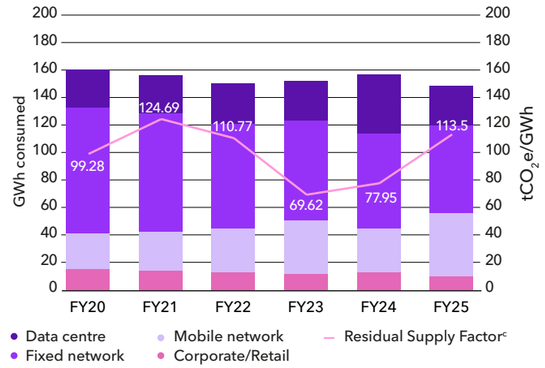
The majority of our FY25 fugitive emissions were associated with a single event. This was fire suppressant discharge triggered by a fire detection system. Due to the high global warming potential of the suppressant gas this resulted in emissions of 2,211 tCO_2e. In response, we have completed a redesign of the system, which will now incorporate a low-emission fire suppressant.

Other fugitive emissions may be caused by refrigerant leaks from cooling systems. In the past year we have trialled an early leakage detection solution using IoT sensors which can detect refrigerant gases. This system has been piloted at an Auckland site, which has shown the importance of sensor location to gas detection. These insights may inform the rollout of sensors to other sites in the future.

Scope 1 emissions: Our fleet

We saw a significant reduction in fleet emissions in FY25, with emissions down 26.3%. This was driven by the rationalisation of the Spark corporate fleet. This focused on reducing the number of personally assigned vehicles and retaining electric vehicles as shared pool cars. The majority of fleet emissions are now associated with the Entelar Group fleet, which includes a number of diesel-powered field services vehicles, alongside electric and hybrid cars.

Scope 2 emissions: Electricity consumption



Scope 2: Our electricity consumption performance

In the past year we have seen a decrease in electricity consumption linked to our scope 2 emissions. Our electricity consumption is down 4.9% from 156.3 GWh to 148.7GWh.

This decrease is largely due to our long-standing programme of network simplification, including the decommissioning of legacy equipment, such as the public switched telephone network (PSTN), which has driven year-on-year reductions in electricity use across our business. These savings offset growth in other areas, such as our mobile network, which is increasing its energy use as we roll out 5G.

In the past year the relocation of Spark's Auckland corporate office to 50 Albert Street also supported our efforts to reduce our environmental impact. Since our move in December 2024, we have already seen significant energy savings. This has contributed to a reduction in our office and retail site consumption, down 23.2% compared to the previous year.

We reported a 14.7% increase in scope 2 emissions in FY25. This increase was driven by a significant increase in the grid emissions factor, which was up from 0.07795 kg/kWh to 0.11347 kg/kWh, a 45.6% increase. The emissions intensity of the electricity we use is dependent on whether it is generated renewably or from fossil fuels, such as coal and gas. Our strategy is to decouple our business growth from emissions growth by working in partnership with our energy partner to utilise our electricity procurement, to support the development of new renewable energy generation in New Zealand.

Renewable energy partnership

Spark's renewable energy partnership with Genesis Energy commenced in FY25. Through the partnership, Spark's energy consumption is matched via Renewable Energy Certificates with new renewable energy generated by the Lauriston solar farm, which officially started supplying the grid in early 2025.

The partnership demonstrates how New Zealand businesses can work together to support New Zealand's decarbonisation – with Spark's procurement supporting Genesis's renewable energy investments, and those investments in turn enabling Spark to meet its emissions reduction target.

The annual production from the solar farm is projected to be equivalent to approximately 60% of Spark's annual electricity consumption. Although the site was only operational for part of the FY25 period, it enabled Spark to reduce reported market-based electricity emissions by 3,954 tCO_2e across scope 2 and 3.

Scope 3 emissions

We have continued to expand and improve on our scope 3 emissions reporting, which is included with our GHG Inventory Report (see page 33). The majority of our scope 3 emissions are related to category 1 (purchased goods and services). We calculate these emissions by analysing our spend across different categories and applying spend-based emissions factors. These factors account for the emissions intensity of different industries, with higher factors for more emission intensive spend (e.g. construction) and lower factors for spend that is less emission intensive (e.g. software).

In FY25 we transitioned our reporting to use a more current and location-relevant set of spend-based-factors. More detail on methodology review is available in the GHG Inventory Report (see page 37).

Our reported scope 3 emissions for FY25 total 212,909 tCO_2e. Due to the continued refinements in our reporting approach we are not able to make a year-on-year comparison. We have rebaselined our scope 3 emissions reporting year to FY25 (see page 37 for more information).

Performance against our scope 3 supplier engagement target

The percentage of our spend with suppliers with SBTi-aligned targets in place has increased to around 61%, up from 43% last year. This is against our target that 70% of our suppliers by spend covering purchased goods and services and capital goods will have SBTi-aligned targets in place by the end of 2026.

The majority of this year-on-year increase is driven by our largest New Zealand based supplier, who established their own SBTi-validated target in early FY25. We continue to engage with other key New Zealand suppliers to encourage and support them to establish their own science-based emissions reduction targets.

Across our global supply chain, as we have strengthened our ethical supply chain processes we have implemented a process to survey key suppliers on an annual basis. This provides an opportunity to gather more data on supplier environmental governance, compliance, and commitments, including emissions reduction targets and alignment and validation against SBTi methodology. For global suppliers our membership of the global industry group, the Joint Alliance for CSR (JAC) initiative, provides a platform to engage suppliers alongside other telecommunications companies with similar SBTi-verified supplier engagement targets. For more information on our approach to engaging suppliers on sustainability and ESG matters, refer to our Modern Slavery and Human Rights Statement.

Appendices

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25

About this report

This Appendix is the FY25 Greenhouse Gas Inventory Report for Spark New Zealand Limited ('Spark' and together with its subsidiaries, the 'Spark Group'). This Report covers the emissions for FY25 (the period of 1 July 2024 to 30 June 2025) and provides information about our baseline year (FY20 for scope 1 and 2) and comparative years (FY21-FY24). It has been prepared in accordance with *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* ('the GHG Protocol') and *Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard* (2011) ('the Corporate Value Chain').

This report is dated 20 August 2025 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair.

Justine Smyth CNZM
Chair

Spark New Zealand Limited (NZX: SPK, ASX: SPK)

Our baseline year for reporting

FY20 remains our baseline year for reporting scope 1 and 2 emissions and forms the foundation of our Science Based Targets initiative (SBTi)-validated commitment to reduce these emissions by 56% by FY30.

In FY25, we made several structural and operational changes that impacted the boundaries and data quality of our emissions inventory, particularly within scope 3. These changes included:

- **Divestment of subsidiary Digital Island**
- **Improved data access and methodologies**: Allowing for more accurate capture and attribution of emissions across scope 3 categories, including purchased goods and services, waste generated in operations and downstream leased assets.
- **Better aligned emission factors**: Instead of UK based DEFRA spend-based factors, this year we used New Zealand-based thinkstep-anz EEIO factors to determine our category 1,2,4 and 9 emissions for scope 3.
- **Additional categories measured**: As a result of improved data availability, this year we measured emissions associated with the end- of-life processing of our sold products.

We have not restated previously disclosed scope 3 categories 1, 2, 4, and 9, which have been affected by significant changes in data availability and methodology. These changes reflect the adoption of new data sources and estimation approaches that were not available in prior periods. Consequently, restating FY24 figures is not feasible due to the absence of consistent historical data.

More information on our methodology can be found on page 37.

Given the significance of these changes and in line with the Greenhouse Gas Protocol's guidance, we have reset our baseline year for our scope 3 emissions to FY25. This new baseline year reflects the most complete and accurate representation of our current value chain emissions and sets a more reliable foundation for future tracking and reduction efforts. However, FY20 remains our baseline year for the purposes of tracking progress against our scope 1 and 2 emissions reduction target.

We are committed to maintaining a robust and transparent emissions reporting framework. Going forward, we will trigger a rebaseline of our scope 1, 2, or 3 inventories if:

- Structural or operational changes (e.g. acquisitions, divestments, insourcing or outsourcing) impact emissions by 5% or more.
- There are significant improvements in data availability, emissions factors, or calculation methodologies.
- Material errors are identified in previously reported data.

This approach supports accurate, decision-useful emissions reporting, aligned with international best practices.

Renewable energy use and certificate retirement (Q3-Q4 FY25 only)

Spark's renewable energy partnership with Genesis Energy commenced in January 2025. Through the partnership, Spark's energy consumption is matched via Renewable Energy Certificates (RECs) with new renewable energy generated by the Lauriston solar farm (see page 29).

Each REC certifies that one megawatt-hour (MWh) of electricity was generated from a renewable source and fed into the New Zealand grid. To avoid double counting of renewable energy attributes RECs are cancelled against energy users' site ICPs (Installation Control Points), which are the points at which sites connect to the grid.

During the reporting year, our organisation retired 34,842 MWh of RECs to support the decarbonisation of electricity consumption for the second half of the year (Q3 and Q4) when applying a market-based approach. These RECs were allocated to cover:

- 100% of electricity consumption from our Data Centre (DC) ICPs during Q3 and Q4 FY25, and
- The remainder used to partially offset Fixed Network ICP consumption (exchange sites with data centre utilisation prioritised) in the same period.

No RECs were applied against electricity use during Q1 and Q2.

Allocation of RECs and associated emissions

The following table shows electricity use and REC retirement, segmented by quarter and site type, along with Scope 2 emissions under both location-based and market-based approaches:

Site type	Time period	Total electricity (MWh)	RECs retired (MWh)	Market based emissions (tCO_2e)	Location based emissions (tCO_2e)
Data Centre ICPs	Q1–Q2	15,989	0	1,814	1,720
	Q3–Q4	15,740	15,740	0	1,693
Fixed Network ICPs	Q1–Q2	40,930	0	4,644	4,404
	Q3–Q4	39,579	19,102	2,324	4,258
Total		112,238	34, 842	8,782	12,075

Treatment of oncharged electricity-Scope 3 (Q3–Q4)

Some electricity used at our data centres is on-charged to customers based on estimated kWh consumption. This is energy associated with powering customer-owned equipment that is hosted at Spark-operated sites. This estimated electricity consumption is used to report our emissions against Scope 3 Category 13: Downstream Leased Assets. We provide detail on this reporting methodology, including assumptions, estimations, and levels of uncertainty on pages 42 – 43.

For Q3-Q4, the majority of this on-charged electricity is reported as zero emissions under the market-based approach, as it was fully covered by renewable energy certificates (RECs). By retiring the RECs against the specific sites hosting customer equipment we can ensure that the energy used by customer-owned equipment hosted is linked to renewable energy attributes for reporting purposes.

For Q1-Q2, when no RECs were applied, on-charged electricity is reported using the applicable grid-average residual supply emissions factor.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Greenhouse gas emissions inventory

Scope 1 and 2 emissions

	Greenhouse gas emissions (tCO_2e)					
Scope / category	FY20 (SBTI baseline year)	FY21	FY22	FY23	FY24	FY25
Scope 1	**2,485**	**2,799**	**2,372**	**2,694**	**4,670**	**4,732**
Fugitive emissions	561	637	702	628	2,581	3,067
Mobile combustion – vehicle fleet	1,483	1,678	1,337	1,659	1,768	1,304
Stationary combustion – diesel generators	426	470	325	393	311	353
Natural gas combustion	15	15	8	14	10	8
Scope 2 (Market based)	**15,855**	**19,428**	**16,609**	**10,624**	**12,204**	**13,998**
Corporate/Retail	1,450	1,722	1,361	799	989	1,106
Mobile network	2,589	3,535	3,546	2,687	3,350	5,235
Fixed network	9,061	10,725	8,474	5,116	5,415	5,968
Data centre	2,756	3,446	3,228	2,023	2,450	1,689
Scope 2 (Location based)*	15,836	19,319	16,318	10,301	11,684	15,980
Total Scope 1 and 2 (Market based)	**18,341**	**22,227**	**18,981**	**13,318**	**16,874**	**18,730**

Notes:

See pages 38 – 43 for more information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

We split our scope 2 market-based electricity reporting across four activity categories - Corporate/Retail, Mobile Network, Fixed Network, and Data Centre. These operational categories align with the ICT sector pathways developed with the International Telecommunications Union (ITU) in its guidance for setting a science-based emissions reduction target.

In FY25 we retired 25,165 MWh of RECs (Renewable Energy Certificates) against a proportion of electricity use at Data Centre and Fixed Network ICPs. These RECs are reported as zero emissions under the market-based method. See page 31 for more information.

Numbers may not sum due to rounding.

Scope 3 emissions

	GHG emissions (tCO_2e)					
GHG Protocol category	FY20	FY21	FY22	FY23	FY24	FY25 (Baseline year)
Category 1: Purchased goods and services					358,987	174,214
Category 2: Capital goods					401	3,099
Category 3: Fuel-and energy-related activities					1,489	2,461
Category 4: Upstream transport and distribution					17,128	3,174
Category 5: Waste generated in operation					822	833
Category 6: Business travel	3,236	707	620	2,402	2,089	1,838
Category 7: Employee commuting					3,565	3,968
Category 8: Upstream leased assets					567	870
Category 9: Downstream transport and distribution					1,302	1,628
Category 11: Use of sold products					9,699	16,836
Category 12: End of life processing					N/A	585
Category 13: Downstream leased assets	1,647	2,063	1,728	1,104	1,176	2,760
Category 14: Franchises					338	370
Category 15: Investments					158	272
Total Scope 3 emissions (tCO_2e)					**397,721**	**212,909**

Notes:

Please see pages 38 – 43 for information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

Updates to the emission factor database, source data and spend classification methodology used for Categories 1, 2, 4, and 9 mean that reported emissions are not directly comparable between FY24 and FY25. Consequently, any year-on-year differences should be interpreted with caution, as they may result from methodological changes rather than actual shifts in emissions or activity levels. Please see page 37 for more information.

To ensure comparability, we have restated FY24 Waste Generated in Operations to include e-Waste recycling. An additional 450 tonnes (431 tCO_2e) of e-Waste has been added to FY24 category 5.

In FY24, emissions from distributed subsidiary products were not included in Category 11. In FY25, we expanded our dataset to capture emissions associated with the use of these products, improving the completeness of our reporting.

Category 13: Downstream leased assets reporting for FY25 includes emission reduction from the cancellation of Renewable Energy Certificates. See page 31 for more information.

In FY25, we received additional data from our investment entities, enhancing the completeness of Category 15 reporting. As a result, emissions reported under Category 15 are not directly comparable to those in previous years.

Numbers may not sum due to rounding.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Greenhouse gas emissions by gas type

Scope / category	Greenhouse gas emissions (tCO_2e)	CO_2	CH_4	N_2O	HFC
Scope 1	**4,732**	**1,630**	**8**	**27**	**3,067**
Fugitive emissions	3,067				3,067
Mobile combustion – fleet fuel	1,304	1,271	7	26	
Stationary combustion – diesel	353	351	1	1	
Natural gas combustion	8	8			
Scope 2	**13,999**	**13,593**	**378**	**27**	
Corporate/Retail	1,106	1,074	30	2	
Mobile Network	5,235	5,084	141	10	
Fixed Network	5,968	5,796	161	11	
Data Centre	1,689	1,640	46	3	

Notes:

Spark does not have emissions of SF_6, NF_3, or perfluorocarbons (PFCs). Scope 3 emissions are not broken down by individual gas type due to incomplete data. Totals may not add exactly due to rounding.

For Scope 2 market-based emissions, we apply the gas-by-gas breakdown from the Ministry's Scope 2 emissions factor proportionally to the residual mix emissions factor published by BraveTrace, to estimate the individual gas contributions.

Scope 1 and scope 2 energy usage by type

	FY20	FY21	FY22	FY23	FY24	FY25
Scope 1						
Fugitive emissions	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle fleet – premium petrol (litres)	60,079	60,387	24,624	26,235	29,258	16,414
Vehicle fleet – regular petrol (litres)	225,672	212,408	183,263	307,627	272,302	188,109
Vehicle fleet – diesel (litres)	197,756	245,046	240,181	309,282	392,537	304,286
Stationary combustion – diesel generators (litres)	160,004	176,367	121,763	146,304	116,082	131,726
Natural gas combustion (kWh)	78,927	75,731	43,460	70,564	52,934	41,217
Scope 2						
Corporate / Retail (GWh)	14.67	13.83	12.28	11.48	12.69	9.75
Mobile Network (GWh)	26.18	28.38	32.02	38.59	42.97	46.13
Fixed Network (GWh)	91.62	86.12	76.5	73.48	69.47	63.66
Data Centre (GWh)	27.87	27.67	29.14	29.05	31.43	28.98

Organisational Boundary

Our organisational emissions reporting boundary takes an operational control approach as defined by the GHG Protocol and includes Spark and its subsidiaries.

Spark New Zealand Limited is the parent entity of the Spark Group. Spark is publicly listed, and our issued shares are quoted on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX). As at 30 June 2025 the Spark Group comprised 28 controlled entities.

For additional context, more information on significant subsidiaries and controlled entities in the Spark Group as at 30 June 2025 (including ownership percentages and principal activity information) is available in the Spark FY25 Annual Report (see page 118).

Spark subsidiary inclusions

Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
Adroit Holdings Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Adroit IOT Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Adroit Research Limited	Environmental IOT solutions	Included in Spark Corporate reporting
Computer Concepts Limited	IT infrastructure and Cloud services	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting, use of sold products, downstream leased assets
Entelar Group Limited	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting
Gen-i Australia Pty Limited	Provides international, wholesale and outsourced telecommunications services	Excluded as no operational emissions
MATTR Limited	Software company focused on decentralised identity and verifiable data	Office electricity (on a headcount estimate basis for FY22 and earlier), natural gas, business travel, fleet, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data	Excluded as no significant operational emissions
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data	Excluded as no significant operational emissions
Qrious Limited	Data analytics business	Included in Spark Corporate Reporting
Revera Limited	IT infrastructure and data centre provider	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting, use of sold products, downstream leased assets
Spark Finance Limited	Group finance company	Excluded as no operational emissions
Spark New Zealand Cables Limited	Investment company	Included in Fixed Network Electricity (Scope 2)
Spark New Zealand Trading Limited	Telecommunications and digital services company	Included in Spark Corporate reporting
Spark Trustee Limited	Trustee company	Excluded as no operational emissions
TCNZ Australia Investments Pty Limited	Australian operations	Excluded as no significant operational emissions
TCNZ (Bermuda) Limited	Holding company	Excluded as no operational emissions

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
TCNZ Financial Services Limited	Investment company	Excluded as no operational emissions
TCNZ (United Kingdom) Securities Limited	Holding/investment company	Excluded as no operational emissions
Teleco Insurance Limited	Group insurance company	Excluded as no operational emissions
Teleco Insurance (NZ) Limited	Mobile phone insurance	Excluded as no operational emissions
Telecom Capacity Limited	Holding company	Excluded as no operational emissions
Telecom Enterprises Limited	Investment company	Excluded as no operational emissions
Telecom New Zealand (UK) Enterprises Limited	Holding/investment company	Excluded as no operational emissions
Telecom New Zealand USA Limited	Provides international wholesale telecommunications services	Excluded as no significant emissions
Telecom Pacific Limited	Holding company	Excluded as no operational emissions
Telecom Southern Cross Limited	Holding company	Excluded as no operational emissions
Telecom Wellington Investments Limited	Investment company	Excluded as no operational emissions

Investments in associates and joint ventures (at 30 June 2025)

Name	Type	Country	Ownership/ investment	Principal activity	Inclusion/exclusion
Flok Limited	Associate	New Zealand	37.7%	Hardware and software development	Excluded – No operational emissions
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network	Captured in Scope 1 and 2
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company	Excluded -no operational emissions
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband	Captured in Category 15 – Investments
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company	Excluded – no operational emissions
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development	Excluded – no operational emissions

Operational Boundary

In line with the GHG Protocol, Spark New Zealand categorises its GHG emissions into three distinct scopes:

Scope 1 – Direct emissions. These emissions arise from sources Spark owns or controls. These include fuel consumption from our fleet, refrigerant leakages, fire suppressant discharges, natural gas consumption and diesel top-ups for our generators.

Scope 2 – Indirect emissions from purchased electricity. This scope covers electricity consumption at Spark operated sites.

Scope 3 – Other indirect emissions. Scope 3 encompasses a broad range of emissions throughout Spark's value chain, both upstream and downstream. Based on the GHG Protocol's Value Chain Standard, Scope 3 includes 15 potential categories. To determine which categories are included, the company considers:

- A minimum materiality threshold of 1% of total Scope 3 emissions per category.
- Relevance to stakeholders and the ability to influence emissions.
- Sector-specific guidance.
- Availability of activity data.

Based on these criteria, the following categories are included in our inventory:

- Category 1: Purchased goods and services 81.8%
- Category 2: Capital goods 1.5%
- Category 3: Fuel- and energy- transmission and distribution 1.2%
- Category 4: Upstream transportation and distribution 1.5%
- Category 4: Waste generated in operations 0.4%
- Category 6: Business travel 0.9%
- Category 7: Employee commuting 1.9%
- Category 8: Upstream leased assets 0.4%
- Category 9: Downstream transportation and distribution 0.8%
- Category 11: Use of sold products 7.9%
- Category 12: End-of-life treatment of sold products 0.3%
- Category 13: Downstream leased assets 1.3%
- Category 14: Franchises 0.2%
- Category 15: Investments 0.1%

GHG emissions source exclusions

Scope 3 Category 10: Processing of sold goods is excluded from our inventory as Spark Group does not sell any unfinished products.

Methodology review

Each year we review our methodologies and data sources to assess whether changes are needed -either due to updates in available data or opportunities to enhance our approach for a more accurate and robust view of our climate impact.

- **Spend-based emissions**

In FY24, Spark Group employed an internal Power BI tool, known as Spend Cube, to categorise procurement transactions against Environmentally Extended Input-Output (EEIO) emission factors. The tool was decommissioned in FY25, and emissions estimation for the year was instead based on general supplier categorisation.

FY24 spend-based emissions were calculated using DEFRA EEIO factors adjusted for inflation and New Zealand currency, as these were the most current available at the time. In FY25, we adopted the New Zealand-based thinkstep-anz EEIO dataset, enabling the use of more locally relevant and up-to-date emission factors.

As a result of these methodological changes, scope 3 categories 1,2,4 and 9 are not directly comparable between FY24 and FY25.

- **Scope 3 Category 5: Waste generated in operations**

In FY24, Spark relied on waste data provided by our service provider. These reports covered 29 Spark sites and included a combination of actual and estimated waste collection volumes. The sites accounted for approximately 1,875 full-time equivalent (FTE) staff, with around 75% located at our corporate headquarters on Victoria Street West.

In Q2 FY25, Spark relocated its head office to 50 Albert Street. At this new site, waste services are managed centrally by the landlord, and our contracted service provider no longer services our primary location. As a result, their data no longer reflects the majority of Spark's office-based waste output.

The landlord has since provided a consolidated waste report from their service provider, detailing bin lifts and total tonnage. While tenant-specific breakdowns are not available, Spark is the majority tenant. When comparing the available waste data from 50 Albert Street with our FY24 estimates, we found that waste per person remains consistent with previous calculations.

Going forward, Spark will estimate group-wide waste output using data from 50 Albert Street, to maintain consistency and reflect current operational realities.

In FY25 we have also included the recycling of our e-Waste in category 5. This was determined using tonnes of e-Waste recycled by Spark. We have also restated FY24 category 5 to include e-Waste, for comparability purposes. This data was obtained by our e-Waste service provider.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

FY25 Emission source inclusions

The majority of emission factors in Spark's greenhouse gas inventory are sourced from the Ministry for the Environment (MfE), BraveTrace, and thinkstep-anz. These sources use global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) to convert individual greenhouse gases into carbon dioxide equivalents (CO_2-e). The remaining emission factors also follow the AR5 methodology, except for a small subset related to accommodation, where MfE data is unavailable. These are instead sourced from hotelfootprints.org and are based on GWP values from the IPCC Sixth Assessment Report (AR6).

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 1: Fugitive Emissions	Refrigerant leakage	Top-up method	Supplier reports, internal work orders, internal refrigerant asset register	MfE (2025), AR5 Refrigerants and other gases: R410A, R134A, R407F, R22, R32, R404A, R407C, The California Air Resources Board (2025), AR5 R438A GWP	All Spark Group refrigerant recharges are included. Only captures known leaks, minor leaks may go unreported until recharge is required. We do not include fire extinguisher routine testing in our inventory due to lack of available data.	Moderate uncertainty – Refrigerant recharge data quality is dependent on what is collected and communicated to us by our suppliers. To reduce this uncertainty, we cross-check against our internal work order reports. We continue to work with our supplier to strengthen this data source.
Scope 1: Fugitive Emissions	Fire suppressant discharge	Top-up method	Supplier reports, internal incident reports	MfE (2025), AR5 – Refrigerants and other gases: HFC227ea	All fire suppressant discharge events that occurred in FY25 are included.	Low uncertainty
Scope 1: Stationary Combustion	Generator diesel consumption	Fuel-based method	Supplier invoices	MfE (2025), AR5 – Stationary combustion fuel: Diesel	All Spark Group generator diesel top-ups are included.	Low uncertainty
Scope 1: Natural Gas	Natural gas consumption	Fuel-based method	Supplier invoices	MfE (2025), AR5 – Stationary combustion fuel: Natural gas (kWh)	All Spark Group gas consumption is included.	Low uncertainty
Scope 1: Mobile combustion	Vehicle fleet fuel consumption	Fuel-based method	Supplier reports, internal fleet management reports	MfE (2025), AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All fuel consumed by Spark Group fleet is included. Our inventory does not include personal vehicle use for business.	Low uncertainty
Scope 2: Electricity (Market-Based)	Electricity usage	Market-based method	Supplier invoices	BraveTrace (2024/2025) Residual Supply Factor – AR5	All electricity used by Spark Group is included.	Low uncertainty
Scope 2: Electricity (Location-Based)	Electricity usage	Location-based method	Supplier invoices	BraveTrace (2024/2025) National Grid Factor – AR5	All electricity used by Spark Group is included.	Low uncertainty
Scope 3: Category 1- Purchased goods and services	Extraction, production, and transportation of goods and services purchased in FY25, not otherwise included in categories 2 – 8	Spend-based method	Internal spend reports, call centre electricity consumption report	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied, Carbon database initiative (2025), AR5 – Philippines national grid factor	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 2 - Capital goods	Extraction, production, and transportation of capital goods acquired in FY25	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services,classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 3 - Fuel and energy transport and distribution	Extraction, production, and transportation of fuels and energy purchased in FY25, not already accounted in Scope 1 and 2	Fuel-based method	Supplier reports, internal spend reports	MfE (2025), AR5 – Transmission and Distribution losses: Natural Gas used (kWh) and Electricity used, DEFRA (2025), AR5 – WTT Fuel, thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	All Spark Group fuel, gas and electricity transmission and distribution included.	Low uncertainty

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 4 – Upstream transportation and distribution	Transportation and distribution of goods to Spark Group	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 5 – Waste generated in operations	Landfill disposed of by Spark corporate employees and e-Waste recycled from operations	Average-data method and weight based method	Service provider reports, HR FTE report by location, internal spend reports	MFE (2025), AR5 – Waste-to-landfill with gas recovery – Unknown composition: Office waste, TechCollect report Bontinck, P.A. (2023), Potential environmental benefits of ICT e-waste recycling in Aotearoa New Zealand FY23 update, e-Waste processing emission factor source – AR5 thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Uses an estimate of total-waste-to landfill based on assumed kg per Spark FTE at 50 Albert Street. This assumes waste generation patterns at 50 Albert Street are representative of all Spark employees. It does not consider any ad-hoc waste collection that is facilitated outside of Spark Property team.	Moderate-High uncertainty due to using an estimated waste-to-landfill per person derived from a single corporate building. We will continue to work with our internal service provider to get more robust data for collections outside of 50 Albert Street. We do not account for the carbon-positive benefits of e-Waste recycling in this calculation, only the process emissions.
Scope 3: Category 6 – Business travel	Air travel, hotel stays, travel in rental cars, taxis for business use	Distance-based method for all except taxi travel, where the spend-based method is applied	Supplier reports Internal spend reports	MfE (2025), AR5 – Rental car -petrol default, Taxi travel – regular dollars spent, Hotel stays (country applied), Air travel with radiative forces - domestic national average, short-haul economy class, short-haul business class, short-haul average, long-haul economy class, long-haul premium economy class, long-haul business class, long-haul first class Where country of hotel stay is not in MfE database, we utilise hotelfootprints.org to determine emissions associated with stay. Emissions are sourced from AR6. thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Includes all of Spark Group business travel.	Low uncertainty
Scope 3: Category 7 – Employee commuting	Employee commuting	Average-data method	Survey data, HR FTE report by location	MFE (2025), AR5 – Public transport national averages, private car default factors, Motorcycle >600 cc petrol	Includes an estimate of employee commuting emissions for all employees. We did not include part time, contract staff or those who are assigned to work from home. We assumed total annual working hours, accounting for sick and annual leave entitlements. We used HR FTE report by location as at 30 June 2025, providing a point in time snapshot and may not accurately represent the full reporting period.	High uncertainty due to estimates and assumptions made from our survey responses (21% of total FTE). We will continue to survey our people, aiming to increase response rate year-on-year.
Scope 3: Category 8 – Upstream leased assets	Electricity usage at leased sites by Spark assets	Average-data method	Supplier invoices, internal reports	BraveTrace (2024/2025) Residual Supply Factor – AR5	Due to the diversity of sites, there may be some over estimation of consumption.	Moderate uncertainty due to inability to determine the exact size of assets on leased sites.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 9 – Downstream transportation and distribution	Transportation and distribution of goods from Spark Group	Spend-based method	Internal spend reports	thinkstep-anz (2025) EEIO factors, AR5 – 2025 Q2 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain accurate. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, classified only by supplier industries. We will continue collaborating with our Data and Procurement teams to improve the accuracy and robustness of this data.
Scope 3: Category 11 – Use of sold products	Electricity usage of products sold by Spark Group	Average-data method and supplier-specific method	Manufacturer product reports, internal sold product reports	BraveTrace (2024/2025) Residual Supply Factor – AR5	Includes a kWh estimate of all products that consume electricity sold by Spark Group. High level wattage assumptions have been applied to estimate electricity consumption during the use phase of sold electronics. The entire lifetime usage emissions (5 years) are accounted for in the year of purchase. In the absence of detailed usage data, assumptions are informed by expert judgment, and typical user behaviour patterns depending on location of use (Data Centre, Corporate, Consumer use), reflecting a reasonable estimate of daily use based on how the product is generally expected to be operated. Due to a lack of a formal report or system-generated product data, product categorisation was conducted manually based on available product specifications, model naming conventions, and subject matter expertise to ensure reasonable classification accuracy.	High uncertainty due to assumptions around lifecycle length. With over 20,000 product types sold, assumptions around kWh per year are also significant. We will continue to work with the business to get clearer and more consistent reporting for this emission source.
Scope 3: Category 12 – End of life treatment of sold products	Recycling of electronic products sold by Spark Group	Average-data method	Manufacturer product reports, publicly available mass (kg) averages for electronic product types	TechCollect report - Bontinck, P.A. (2023), Potential environmental benefits of ICT e-waste recycling in Aotearoa New Zealand – FY23 update, e-Waste processing emission factor source – AR5	Includes all products sold in FY25. We used an estimated average mass for each product type.	High uncertainty We do not account for the carbon-positive benefits of e-Waste recycling in this calculation, only the process emissions. We also assume all waste is recycled as we do not have a proportional breakdown of e-Waste disposal in New Zealand to derive quantity of waste disposed of in alternative ways.
Scope 3: Category 13 – Downstream leased assets	Electricity oncharged to Spark Group data centre customers	Average-data and activity-data method	Customer on-billing reports, Smart Power report	BraveTrace (2024/2025) Residual Supply Factor – AR5	All customer datacentre oncharge is captured. For some customers, consumption is derived by average input power of their equipment or their invoice. Due to this, there is a risk in over- or under- estimating individual customer consumption profiles.	Low-moderate uncertainty For some customers, consumption is derived by average input power of their equipment or their invoice. Due to this, there is a risk in over- or under- estimating individual customer consumption profiles.
Scope 3: Category 14 – Franchises	Electricity usage and fuel consumption of Spark Business Hubs	Activity-data method	Supplier reports, Business hub electricity reports	BraveTrace (2024/2025) Residual Supply Factor – AR5, MfE (2025), AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All Spark Business Hubs are included.	Low uncertainty
Scope 3: Category 15 – Investments	Electricity consumption of Rural Connectivity Group (RCG)	Activity-data method	RCG electricity rand generator diesel reports	BraveTrace (2024/2025) Residual Supply Factor – AR5 MfE (2025) AR5 – Stationary combustion fuel – Diesel	33% of Rural Connectivity Group's total FY25 electricity and generator diesel consumption has been included. Investment in Southern Cross cable is captured in our scope 2. The completeness of this category relies on the completeness on investees reporting.	Low-moderate uncertainty The completeness of this category relies on investees reporting.

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY25 (Continued)

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Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures

Deloitte.

To the Shareholders of Spark New Zealand Limited

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our engagement (as outlined below), included in the Group Climate Statements of Spark New Zealand Limited (the '**Company**') and its subsidiaries (the '**Group**') for the year ended 30 June 2025 (the '**Selected GHG Disclosures**'), are not fairly presented and not prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards* ('**NZ CSs**') issued by the External Reporting Board ('**XRB**'); and
- the Greenhouse Gas (GHG) Inventory Report included as Appendix 1 to the Group Climate Statements for the year ended 30 June 2025 (the '**GHG Inventory Report**'), is not prepared in all material respects, in accordance with the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (the '**Applicable Criteria**'). For scope 3 emissions the Applicable Criteria includes the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*.

Scope of assurance engagement

We have undertaken a limited assurance engagement over the following Selected GHG Disclosures prepared in accordance with NZ CSs, that is required to be the subject of an assurance engagement per section 461ZH of the Financial Markets Conduct Act 2013 ('**FMCA**').

Subject matter: Selected GHG Disclosures	Reference
GHG emissions: gross emission in metric tonnes of Carbon dioxide equivalent ('**CO_2e**') classified as: • Scope 1 • Scope 2 (calculated using the location-based method) • Scope 3	Page 25
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* ('**NZ CS 1**'), being: • The statement describing the GHG emissions have been measured in accordance with the requirements of the Applicable Criteria; • The statement that the GHG emissions consolidation approach used is operational control; • Sources of emission factors and the global warming potential ('**GWP**') rates used or a reference to the GWP source; and • The summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion.	Pages 26 and 35 to 43
Disclosures relating to GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate-related Disclosures* ('**NZ CS 3**'): • Description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. • Explanation for base year GHG emissions restatements, where applicable.	Pages 38 to 43

Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures (Continued)

In addition, we have undertaken a limited assurance engagement in relation to the GHG Inventory Report of the Group, comprising the emissions inventory and the explanatory notes set out on pages 30 to 44 of Appendix 1 to the Group Climate Statements for the year ended 30 June 2025. The GHG Inventory Report is based on historical information and provides further disclosures about the GHG emissions of the Group for the year ended 30 June 2025 to meet the requirements of the Applicable Criteria, in addition to the minimum disclosure requirements of NZ CSs.

Our limited assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 3 to 24 or pages 27 to 29 or the Annual Report for the year ended 30 June 2025. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Other matter – comparative information

The comparative information, being the FY24 and FY23 Group's Selected GHG Disclosures on page 25, have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ('**NZ SAE 1**'). These disclosures are not covered by our assurance conclusion.

Director's responsibilities

Directors are responsible for the preparation and fair presentation of the Selected GHG Disclosures in accordance with NZ CSs, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. In addition, the Directors are responsible for the preparation of the GHG Inventory Report included as Appendix 1 to the Group Climate Statements in accordance with the requirements of the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report that are free from material misstatement whether due to fraud or error.

Inherent uncertainty

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, as discussed on page 3 of the Group Climate Statements, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of the Group's compliance with NZ CSs and/or the requirements of the Applicable Criteria are undertaken on a test basis, our limited assurance engagement cannot be relied on to detect all instances where the Group may not have complied with the NZ CSs or the requirements of the Applicable Criteria. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

In addition, we note that a limited assurance engagement is not designed to detect all instances of non-compliance with the NZ CSs or the requirements of the Applicable Criteria, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our responsibilities

Our responsibility is to express an independent limited assurance conclusion on the Selected GHG Disclosures and GHG Inventory Report, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with NZ SAE 1 and the International Standard on Assurance Engagements (New Zealand) *3410: Assurance Engagements on Greenhouse Gas Statements* issued by the XRB ('**ISAE (NZ) 3410**'). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected GHG Disclosures and GHG Inventory Report are free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

Our firm carries out other assignments for Spark New Zealand Limited in relation to regulatory audit, other assurance related services (such as trustee reporting and agreed upon procedures in relation to the sustainability linked loans) and non-assurance services provided to the Corporate Taxpayers Group, of which the Group is a member. These services have not impaired our independence as assurance provider to the Company and Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Group and its subsidiaries and this matter has not impacted our independence. Also, the firm, its partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

As we are engaged to form an independent conclusion on the Selected GHG Disclosures and GHG Inventory Report prepared by the Group, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves assessing the suitability in the circumstances of Group's use of NZ CSs and the Applicable Criteria as the basis for the preparation of the Selected GHG Disclosures and the GHG Inventory Report respectively, assessing the risks of material misstatement of the Selected GHG Disclosures and GHG Inventory Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected GHG Disclosures and the GHG Inventory Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Selected GHG Disclosures and the GHG Inventory Report, we:

- Obtained, through inquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report. We did not evaluate the design of particular control activities, or obtain evidence about their implementation.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Undertook site visits as deemed necessary to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites.

Appendix 2: Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures (Continued)

- Tested, at each site visited, a limited number of items to, or from, supporting records, as appropriate.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Considered the presentation and disclosure of the Selected GHG Disclosures and the GHG Inventory Report.

Our report does not cover any forward-looking statements made by the Group, any external references or hyperlinked documents.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Selected GHG Disclosures and the GHG Inventory Report are fairly presented and prepared, in all material respects, in accordance with NZ CSs or the requirements of the Applicable Criteria respectively.

Use of our Report

Our limited assurance report ('**our Report**') is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the Selected GHG Disclosures and the GHG Inventory Report are prepared and assured to appropriate levels of materiality.

Our Report is made solely to the Company's shareholders, as a body. Our limited assurance engagement has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an assurance 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's shareholders as a body, for our work, for our Report, or for the conclusions we have formed.

Deloitte Limited

Jason Stachurski, Partner
for Deloitte Limited

Auckland, New Zealand
20 August 2025

This limited assurance report relates to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements for the year ended 30 June 2025 included on the Group's website. The Directors are responsible for the maintenance and integrity of the Group's website. We have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements since they were initially presented on the website.
The limited assurance report refers only to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these disclosures. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the copy of the Group Climate Statements lodged with the New Zealand Companies Office and available in the Climate-related Disclosures Register that include the Selected GHG Disclosures and GHG Inventory Report and related limited assurance report dated 20 August 2025 to confirm the information presented on this website.

Appendix 3: Glossary

- **NZ CS1 / CS2 / CS3:** New Zealand Climate Standards 1, 2, and 3 – These are climate-related disclosure standards published by the External Reporting Board (XRB) of New Zealand. They set out the requirements for climate-related disclosures for entities operating in New Zealand, with NZ CS1 covering climate-related disclosures, NZ CS2 outlining the adoption of climate standards, and NZ CS3 addressing general requirements for climate-related financial disclosures.
- **XRB:** External Reporting Board – An independent Crown entity responsible for accounting and auditing standards in New Zealand, including the development of climate and sustainability reporting frameworks.
- **IPCC:** Intergovernmental Panel on Climate Change – The United Nations body responsible for assessing the science related to climate change, providing comprehensive reports on climate science, impacts, and potential response strategies.
- **SSPs:** Shared Socioeconomic Pathways – Scenarios developed to explore how different socioeconomic developments may affect future climate change, used in climate modelling and policy analysis.
- **NIWA:** National Institute of Water and Atmospheric Research – New Zealand's leading environmental science research institute, providing climate, freshwater, and marine research and data.
- **RCPs:** Representative Concentration Pathways – Greenhouse gas concentration trajectories adopted by the IPCC for climate modelling and research, each representing different climate futures, depending on how much greenhouse gases are emitted in the years to come.
- **CCC:** Climate Change Commission (New Zealand) – An independent Crown entity that provides expert advice and monitoring to the New Zealand Government on climate change action, including emissions reduction and adaptation strategies.
- **NOC:** Network Operations Centre – A central location from which IT professionals monitor, manage, and maintain telecommunications or computer networks, ensuring operational stability and efficiency.
- **GRI:** Global Reporting Initiative – An independent international organisation that provides the world's most widely used standards for sustainability reporting, helping organisations understand and communicate their impacts on issues such as climate change and human rights
- **GHG:** Greenhouse Gas – Gases that trap heat in the atmosphere, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases, contributing to global warming and climate change.
- **tCO_2e:** Tonne of carbon dioxide equivalent – A standard unit for measuring carbon footprints, representing the amount of CO_2 that would have the same global warming potential (GWP100) as one tonne of another greenhouse gas.
- **kWh:** Kilowatt hour – A measure of electrical energy equivalent to consuming 1,000 watts for one hour.
- **GWh:** Gigawatt hour – A unit of energy equal to one billion (1,000,000,000) watt hours or one million kilowatt hours.
- **Integrated Reporting** – A process that results in periodic integrated reports by an organisation about value creation over time, combining financial and non-financial data, such as environmental, social, and governance (ESG) information.
- **SBTi:** Science Based Targets initiative – A global body that helps organisations set greenhouse gas emissions reduction targets that are in line with the latest climate science and the goals of the Paris Agreement.
- **Scope 1:** Direct greenhouse gas emissions from owned or controlled sources, such as emissions from company vehicles or on-site fuel combustion.
- **Scope 2:** Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.
- **Scope 3:** Other indirect greenhouse gas emissions that occur in a company's value chain, such as emissions from purchased goods and services, transportation, waste disposal, business travel, and investments.
- **TCF:** Telecommunications Forum – An industry body representing New Zealand's telecommunications sector. The TCF works collaboratively with industry participants to develop standards, codes of practice, and solutions that promote a fair, competitive, and innovative telecommunications environment for consumers and providers across New Zealand.
- **ESG:** Environmental, Social, and Governance – A set of criteria and standards for a company's operations that socially conscious investors use to screen potential investments.
- **SBTi-validated target:** An emission reduction target that has been reviewed and approved by the Science Based Targets initiative as being consistent with climate science and the goals of the Paris Agreement.
- **Paris Agreement:** An international treaty adopted in 2015 within the United Nations Framework Convention on Climate Change (UNFCCC) aiming to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.
- **JAC:** Joint Alliance for CSR (Corporate Social Responsibility) – A global industry association that brings together telecommunications operators for collaborative supplier engagement on sustainability and CSR topics.

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