

# 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%           |
| <b>EBITDAI</b>   | <b>1,036</b> | <b>674</b> | <b>519</b> | <b>622</b> | <b>406</b> | <b>647</b> | <b>1,141</b> | <b>1,053</b> | <b>(88)</b>  | <b>(7.7%)</b>  |
| 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             |
| <b>Net earnings before income tax</b>                              | <b>764</b>   | <b>385</b> | <b>223</b> | <b>284</b> | <b>53</b>  | <b>294</b> | <b>507</b>   | <b>347</b>   | <b>(160)</b> | <b>(31.6%)</b> |
| 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%          |
| <b>Total net earnings for the period</b>                           | <b>865</b>   | <b>270</b> | <b>156</b> | <b>160</b> | <b>33</b>  | <b>227</b> | <b>316</b>   | <b>260</b>   | <b>(56)</b>  | <b>(17.7%)</b> |
| 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 <sup>1</sup> (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%          |

<sup>1</sup>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%           |
| <b>Adjusted EBITDAI</b>  | <b>510</b> | <b>683</b> | <b>530</b> | <b>633</b> | <b>448</b> | <b>612</b> | <b>1,163</b> | <b>1,060</b> | <b>(103)</b> | <b>(8.9%)</b>  |
| 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             |
| <b>Adjusted net earnings before income tax</b>                     | <b>234</b> | <b>384</b> | <b>227</b> | <b>287</b> | <b>88</b>  | <b>252</b> | <b>514</b>   | <b>340</b>   | <b>(174)</b> | <b>(33.9%)</b> |
| Adjusted income tax expense  | (69)       | (116)      | (70)       | (102)      | (32)       | (81)       | (172)        | (113)        | 59           | 34.3%          |
| <b>Adjusted net earnings for the period</b>                        | <b>165</b> | <b>268</b> | <b>157</b> | <b>185</b> | <b>56</b>  | <b>171</b> | <b>342</b>   | <b>227</b>   | <b>(115)</b> | <b>(33.6%)</b> |
| 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 <sup>1</sup> (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%)        |

<sup>1</sup>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%) |

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## Group operating revenues and other gains

|  | 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          | %       |
| Connectivity   |         |         |         |         |         |         |       |       |              |         |
| 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 <sup>1</sup>                                   | 313     | 313     | 309     | 304     | 302     | 306     | 613   | 608   | (5)          | (0.8%)  |
| Managed data and networks <sup>2</sup>                   | 110     | 112     | 112     | 111     | 102     | 99      | 223   | 201   | (22)         | (9.9%)  |
| Collaboration <sup>2</sup>                               | 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 <sup>2,3</sup>                                     | 105     | 103     | 109     | 116     | 118     | 117     | 225   | 235   | 10           | 4.4%    |
| IT Services <sup>3</sup>                                 | 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 <sup>3</sup>                                | 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%)  |

<sup>1</sup>Wireless broadband revenues and connections are included in broadband revenues and connections.

<sup>2</sup>The total of these three products falls under IT products as referenced in the financial statements.

<sup>3</sup>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

|  | 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          | %       |
| Product costs                                    |         |         |         |         |         |         |         |         |              |         |
| 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 <sup>1</sup>           | (64)    | (64)    | (67)    | (66)    | (59)    | (58)    | (133)   | (117)   | 16           | 12.0%   |
| Collaboration <sup>1</sup>                       | (15)    | (15)    | (17)    | (18)    | (19)    | (18)    | (35)    | (37)    | (2)          | (5.7%)  |
| Cloud <sup>1</sup>                               | (39)    | (33)    | (38)    | (47)    | (61)    | (50)    | (85)    | (111)   | (26)         | (30.6%) |
| IT services <sup>1</sup>                         | (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 <sup>2</sup>          | (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%    |

<sup>1</sup>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.

<sup>2</sup>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 |         |
|-----------------|---------|---------|---------|---------|---------|---------|-------|-------|--------------|---------|
| 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%) |

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## Gross margin by product

|  | 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 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 <sup>1</sup>     | 46      | 48      | 45      | 45      | 43      | 41      | 90    | 84    | (6)          | (6.7%)  |
| Collaboration <sup>1</sup>                 | 24      | 25      | 23      | 22      | 25      | 24      | 45    | 49    | 4            | 8.9%    |
| Cloud <sup>1</sup>                         | 66      | 70      | 71      | 69      | 57      | 67      | 140   | 124   | (16)         | (11.4%) |
| IT services <sup>1</sup>                   | 73      | 80      | 66      | 48      | 49      | 46      | 114   | 95    | (19)         | (16.7%) |
| Procurement and partners                   | 27      | 40      | 24      | 41      | 25      | 40      | 65    | 65    | -            | -%      |
| Data centres <sup>1</sup>                  | 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%)  |

<sup>1</sup>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 | H2 FY23 | H1 FY24 | H2 FY24 | H1 FY25 | H2 FY25 | FY24  | FY25  | FY25 vs FY24 |         |
|--|---------|---------|---------|---------|---------|---------|-------|-------|--------------|---------|
|  | \$m     | \$m     | \$m     | \$m     | \$m     | \$m     | \$m   | \$m   | \$m          | %       |
| <b>Finance expense</b>                     |         |         |         |         |         |         |       |       |              |         |
| 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%)  |
| <b>Finance income</b>                      |         |         |         |         |         |         |       |       |              |         |
| 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 | H2 FY23 | H1 FY24 | H2 FY24 | H1 FY25 | H2 FY25 | FY24  | FY25  | FY25 vs FY24 |         |
|---|---------|---------|---------|---------|---------|---------|-------|-------|--------------|---------|
|   | \$m     | \$m     | \$m     | \$m     | \$m     | \$m     | \$m   | \$m   | \$m          | %       |
| <b>Depreciation and amortisation expense</b>                        |         |         |         |         |         |         |       |       |              |         |
| 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%) |
| <b>Adjusted depreciation and amortisation expense</b>               | (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%)  |
| <b>Reported depreciation and amortisation expense</b>               | (244)   | (251)   | (244)   | (268)   | (293)   | (297)   | (512) | (590) | (78)         | (15.2%) |

## Net investment income

|  | 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          | %       |
| <b>Net investment income</b>   |         |         |         |         |         |         |      |      |              |         |
| 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 <sup>1</sup>                             |         |         |         |         |         |         |       |       |              |         |
| 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 | H2 FY23 | H1 FY24 | H2 FY24 | H1 FY25 | H2 FY25 | FY24  | FY25  | FY25 vs FY24 |         |
|  | \$m     | \$m     | \$m     | \$m     | \$m     | \$m     | \$m   | \$m   | \$m          | %       |
| Mobile service revenue                                     | 480     | 500     | 510     | 500     | 491     | 496     | 1,010 | 987   | (23)         | (2.3%)  |
| Mobile non-service revenue <sup>2</sup>                    | 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 <sup>3</sup>                          | (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        |         |
| Connections  |         |         |         |         |         |         |       |       |              |         |
|  | 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        | %       |
| 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 <sup>4</sup>                      | 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%)  |

<sup>1</sup>Includes MVNO revenue, but excludes other customer segment mobile revenue which is now captured in non-service revenue.

<sup>2</sup>Mobile non-service revenue includes handset sales and mobile interconnect.

<sup>3</sup>Includes handset, interconnect and cellphone tower access costs.

<sup>4</sup>Mobile connections excluding MVNO connections but including legacy machine to machine and SIM based SmartWatch connections and internal connections.

### Analysis & KPIs - IoT<sup>1</sup>

|                          | 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        | %     |
| Total IoT connections    | 1,160   | 1,461   | 1,799   | 2,048   | 2,250   | 2,376   | 2,048 | 2,376 | 328          | 16.0% |
| <b>Total IoT revenue</b> |         |         |         |         |         |         |       |       |              |       |
|                          | 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 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        |       |

<sup>1</sup>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 <sup>1</sup> | (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)      |         |

<sup>1</sup>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 <sup>2</sup> | (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)      |         |

<sup>2</sup>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 <sup>3</sup> | (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        |        |

<sup>3</sup>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<sup>1</sup>

|  | 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 <sup>2</sup>                             | 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)             |          |
| <b>Data centre KPIs</b>                                      | <b>H1 FY23</b> | <b>H2 FY23</b> | <b>H1 FY24</b> | <b>H2 FY24</b> | <b>H1 FY25</b> | <b>H2 FY25</b> | <b>FY24</b> | <b>FY25</b> | <b>FY25 vs FY24</b> |          |
| 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) <sup>3</sup> | 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 <sup>4</sup>   | 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%)   |

<sup>1</sup>This represents a total data centre view, the majority of which has been classified a discontinuing operation in the Financial Statements.

<sup>2</sup>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.

<sup>3</sup>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.

<sup>4</sup>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 <sup>1</sup>       | 105     | 103     | 109     | 116     | 118     | 117     | 225   | 235   | 10           | 4.4%    |
| Cloud product costs <sup>1</sup> | (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)      |         |

<sup>1</sup>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 <sup>1</sup>        | 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)      |         |

<sup>1</sup>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<br>\$m | H2 FY23<br>\$m | H1 FY24<br>\$m | H2 FY24<br>\$m | H1 FY25<br>\$m | H2 FY25<br>\$m | FY24<br>\$m | FY25<br>\$m | FY25 vs FY24<br>\$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 <sup>1</sup>  | 286            | 100            | 99             | 59             | 102            | 34             | 59          | 34          | (25)                | (42.4%)  |

<sup>1</sup>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<br>\$m | H2 FY23<br>\$m | H1 FY24<br>\$m | H2 FY24<br>\$m | H1 FY25<br>\$m | H2 FY25<br>\$m | FY24<br>\$m | FY25<br>\$m | FY25 vs FY24<br>\$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<br>\$m | H2 FY23<br>\$m | H1 FY24<br>\$m | H2 FY24<br>\$m | H1 FY25<br>\$m | H2 FY25<br>\$m | FY24<br>\$m | FY25<br>\$m | FY25 vs FY24<br>\$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                 | (1)            | (41)           | (73)           | (118)          | (43)           | (38)           | (191)       | (81)        | 110                 | 57.6% |
| Adjusted free cash flow (new definition)  | 144            | 289            | (100)          | 219            | 58             | 202            | 119         | 260         | 141                 | NM    |

Group capital expenditure (Capex)

|  | 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          | %       |
| Maintenance Capex <sup>1</sup>               |         |         |         |         |         |         |       |       |              |         |
| 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 <sup>1</sup>                    |         |         |         |         |         |         |       |       |              |         |
| 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.

<sup>1</sup>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

|  | 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          | %       |
| BAU Capex                                    |         |         |         |         |         |         |       |       |              |         |
| 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 <sup>1</sup> | Adjusting items <sup>2</sup> | Total adjusted |
|--------------------------------------|----------------------------------|---------------------------------------|------------------------------|----------------|
| Operating revenues and other gains   | 3,725                            | 46                                    | (71)                         | 3,700          |
| Operating expenses                   | (2,672)                          | (21)                                  | 53                           | (2,640)        |
| <b>Total EBITDAI</b>                 | <b>1,053</b>                     | <b>25</b>                             | <b>(18)</b>                  | <b>1,060</b>   |
| Net finance income                   | (118)                            | 0                                     | -                            | (118)          |
| Depreciation and amortisation        | (590)                            | (14)                                  | -                            | (604)          |
| Net investment income                | 2                                | -                                     | -                            | 2              |
| <b>Total net earnings before tax</b> | <b>347</b>                       | <b>11</b>                             | <b>(18)</b>                  | <b>340</b>     |
| Net tax expense                      | (95)                             | (3)                                   | (15)                         | (113)          |
| <b>Net earnings</b>                  | <b>252</b>                       | <b>8</b>                              | <b>(33)</b>                  | <b>227</b>     |

| FY24                                 | Reported (continuing operations) | Discontinuing operations <sup>1</sup> | Adjusting items <sup>3</sup> | Total adjusted |
|--------------------------------------|----------------------------------|---------------------------------------|------------------------------|----------------|
| Operating revenues and other gains   | 3,820                            | 41                                    | -                            | 3,861          |
| Operating expenses                   | (2,679)                          | (19)                                  | -                            | (2,698)        |
| <b>Total EBITDAI</b>                 | <b>1,141</b>                     | <b>22</b>                             | <b>-</b>                     | <b>1,163</b>   |
| Net finance income                   | (114)                            | -                                     | -                            | (114)          |
| Depreciation and amortisation        | (512)                            | (15)                                  | -                            | (527)          |
| Net investment income                | (8)                              | -                                     | -                            | (8)            |
| <b>Total net earnings before tax</b> | <b>507</b>                       | <b>7</b>                              | <b>-</b>                     | <b>514</b>     |
| Net tax expense                      | (196)                            | (2)                                   | 26                           | (172)          |
| <b>Net earnings</b>                  | <b>311</b>                       | <b>5</b>                              | <b>26</b>                    | <b>342</b>     |

<sup>1</sup>The data centre business has been classified as a discontinuing operation in FY25, see note 1.5 of the financial statements for further details.

<sup>2</sup>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.

<sup>3</sup>Adjustment for tax effects of zero-rating of tax depreciation on buildings.