



MARKET RELEASE – Wednesday, 18 February 2026

Spark New Zealand Limited H1 FY26 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 H1 FY26 results:

1. Market Release
2. Results Announcement
3. Distribution Notice
4. Interim Financial Statements
5. Investor Presentation
6. Detailed Financial Information

Spark New Zealand's Chief Executive, Jolie Hodson, and Chief Financial Officer, Stewart Taylor, will discuss the H1 FY26 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://ccmediaframe.com/?id=OE6XrxNP>

- 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://s1.c-conf.com/diamondpass/10052855-bgwdfi.html>

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

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Mobile momentum and cost out return Spark to profit growth in H1 FY26

- H1 FY26 vs. H1 FY25 results:
 - Reported revenue^{1,2} of \$1,893m declined 1.2%; adjusted revenue³ of \$1,917m declined 1.1%
 - Reported EBITDAI^{1,4} of \$448m increased 10.3%; adjusted EBITDAI³ of \$471m increased 5.1%
 - Reported NPAT⁵ of \$64m increased 82.9%; adjusted NPAT³ of \$73m increased 30.4%
- Disciplined execution of SPK-30 strategy delivered 1.6% mobile service revenue growth and \$51 million in net cost-out
- H1 FY26 dividend of 8 cents per share declared
- FY26 guidance reaffirmed⁹

Spark New Zealand (Spark) today announced its H1 FY26 results, demonstrating continued performance stabilisation and growing momentum in core connectivity.

Spark Chair Justine Smyth said, “The first half of FY26 has delivered a clear step up in Spark’s performance, as we build momentum towards our SPK-30 strategy ambitions.

“We continued to improve mobile performance while delivering significant net cost reductions, which underpinned a return to profit growth. Our data centre transaction completed on 30 January 2026, and the proceeds will reduce net debt in the second half.

“The Board has declared a first half dividend of 8 cents per share and reaffirmed full year guidance.”

The Board reaffirmed Spark’s FY26 EBITDAI guidance range of \$1,010 million to \$1,070 million⁹, free cash flow of \$290 million to \$330 million⁹, and declared a total H1 FY26 dividend of 8 cents per share, 50% imputed.

H1 FY26 operating performance highlights

Overall revenue reduced slightly, as mobile and broadband revenue growth was offset by declines in legacy revenues. When combined with significant net cost reductions, both EBITDAI and NPAT grew on a reported and adjusted basis.

- **Mobile service revenue** grew 1.6% to \$499m, supported by strong ARPU⁶ growth in the highest value segment of consumer and SME pay monthly, and ongoing connection and ARPU stabilisation in consumer prepaid and enterprise and government
- **Broadband revenue** further stabilised, growing 0.3% to \$303m
- **Cloud revenue** grew 1.7% to \$120m as customers scaled public cloud usage
- **Other connectivity revenue** declined 10.4% to \$163m due to the divestment of Digital Island and migration off legacy services
- **Cost out programme** delivered \$51m in net savings, driven by labour reductions and product cost savings and partially offset by higher opex from planned marketing spend to support business growth and the new technology delivery model
- **Capex** of \$271m increased \$19m, as Spark invested \$54m of strategic capex into data centres. Business as usual (BAU) capex of \$217m reduced 9% as the 5G rollout matures
- **Free cash flow** increased 84% to \$107m, primarily driven by EBITDAI growth and lower cash tax payments

Spark CEO Jolie Hodson said, “Today’s result shows that focused execution in the first six months of our new five-year strategy is building momentum.

“Mobile remains central to our SPK-30 strategy, and we have delivered a return to revenue growth and ongoing connection stabilisation. Our strategic focus on delivering a better network and better customer experiences is central to our success, and we were pleased to maintain network coverage leadership⁷ off the back of more than 100 cell site upgrades and new builds during the half.

“In the coming six months we plan to add over 100 additional builds and upgrades, revamp our international roaming experience, and launch satellite-to-mobile text and data services, including calling over satellite-enabled apps like WhatsApp.

“We are also investing significantly in customer experience improvements, with our measure of customer satisfaction rising five points⁸ off the back of refreshed products, faster support, and new app and safety features.

“We are continuing to expand our use of AI to support better network and customer experiences – with AI coding helping us get products to market more quickly, agentic AI reducing set up time by around 60% on some business products, and AI now identifying customers with more complex needs so they can be escalated to our care team for faster resolution.

“We continue to make progress towards our sustainability ambitions – our science-based emissions reduction target is on track, we’ve maintained our top quartile position in the S&P Corporate Sustainability Assessment, and our not-for-profit broadband product, Skinny Jump, now supports over 34,500 households that would otherwise not be able to connect to the digital world.

“I am particularly pleased to see employee engagement improving, up nine points from H2 FY25, and I would like to recognise our Spark whānau for their hard work and ongoing commitment to Spark and our customers.

“As the broader economy shows early signs of stabilisation, we remain focused on disciplined execution to keep driving market momentum and efficiency, which positions us well for the future.”

FY26 guidance¹⁰

Spark reaffirmed guidance for FY26, subject to no material adverse change in operating outlook. FY26 guidance reflects the deconsolidation of data centres from 30 January 2026.

- **Adjusted EBITDAI:** \$1,010 million-\$1,070 million
- **Free cash flow:** \$290 million-\$330 million
- **BAU capital expenditure:** \$380 million-\$410 million
- **Strategic capital expenditure (data centres):** ~\$55 million¹¹
- **Dividend payout ratio:** 100% of FY26 free cash flow

Authorised by:

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Footnotes:

(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

(3) Adjusted revenue, EBITDAI and NPAT include the data centre business in H1 FY26 and H1 FY25. Adjusted EBITDAI and NPAT exclude \$9m of transaction costs in H1 FY26 incurred in relation to the sale of the data centre business

(which will form part of the gain on sale calculation in H2 FY26) and \$29m of transformation costs (and associated tax impact) incurred in the implementation of the SPK-30 strategy in H1 FY25.

- (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 FY25 Annual Report. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs
- (5) Net Profit After Tax
- (6) Average revenue per user
- (7) Spark has reaffirmed its leadership in mobile connectivity, ranking first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability. As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report
- (8) December 2025 score of +41 – up 5 points since December 2024
- (9) Subject to no material adverse change in operating outlook
- (10) FY26 Guidance reflects the completion of the data centres transaction in January 2026 with the data centres accounted for as an associate (i.e. earnings below the EBITDAI line) for the remainder of FY26. Any gain on sale from the data centres transaction is excluded from the adjusted EBITDAI
- (11) There was \$1m of capex spent on data centres in January 2026 before completion, adding to the \$54m spent in H1 FY26



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	6 months to 31 December 2025	
Previous Reporting Period	6 months to 31 December 2024	
Currency	NZD - New Zealand Dollar	
Amount (000s)		Percentage change
Revenue from continuing operations	NZD\$1,893,000	(1.2%)
Total Revenue	NZD\$1,917,000 ¹	(1.1%)
Net profit/(loss) from continuing operations	NZD\$54,000	74.2%
Total net profit/(loss)	NZD\$64,000	82.9%
Interim/Final Dividend		
Amount per Quoted Equity Security	NZD\$0.08000000 (comprised only of an ordinary dividend)	
Imputed amount per Quoted Equity Security	NZD\$0.01555556	
Record Date	20 March 2026	
Dividend Payment Date	10 April 2026	
Current period		Prior comparable period
Net tangible assets per Quoted Equity Security (in dollars and cents per security)	As at 31 December 2025: NZD\$0.28	As at 31 December 2024: NZD\$0.32
A brief explanation of any of the figures above necessary to enable the figures to be understood	In H1 FY26 and H1 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 and Commercial	
Contact phone number	+64 21 631 074	

Contact email address	investor-info@spark.co.nz
Date of release through MAP	18 February 2026

Unaudited 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\$471,000	5.1%

¹ Total Revenue includes revenue from continuing and discontinuing operations.

² Adjustments in the H1 FY26 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 transaction costs related to the sale of the data centre business amounting to \$9 million. Adjusted total EBITDAI is a non-GAAP measure which is defined and reconciled in note 4 of Spark's interim 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		Quarterly	
	Half Year	X	Special	
	DRP applies	No		
Record date	20 March 2026 AUST, NZ & USA;			
Ex-Date (one business day before the Record Date)	19 March 2026 AUST & NZ; 20 March 2026 USA			
Payment date (and allotment date for DRP)	10 April 2026 AUST & NZ; 20 April 2026 USA			
Total monies associated with the distribution	NZD\$151,208,742 (1,890,109,281 shares @ \$0.080 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\$0.09555556			
Gross taxable amount	NZD\$0.09555556			
Total cash distribution	NZD\$0.08000000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	NZD\$0.00705882			
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	16%			
Imputation tax credits per financial product	NZD\$0.01555556			

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\$0.01597778
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	18 February 2026



Spark^{nz}



Interim
financial
statements
FY26

Interim financial statements

For the six months ended 31 December 2025

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These interim financial statements do not include all the notes and information normally included in the annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements for the year ended 30 June 2025.

Statement of profit or loss and other comprehensive income

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2025 UNAUDITED \$M	2024 ² UNAUDITED \$M
Operating revenues and other gains		1,893	1,916
Operating expenses ¹		(1,445)	(1,510)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	3, 4	448	406
Finance income		14	15
Finance expense		(69)	(75)
Depreciation and amortisation		(304)	(293)
Net investment income		(1)	-
Net earnings before income tax	3	88	53
Income tax expense ¹		(34)	(22)
Net earnings from continuing operations	4	54	31
Net earnings from discontinuing operation	2.1	10	4
Net earnings for the period	4	64	35
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of long-term investments designated at fair value through other comprehensive income		-	(3)
<i>Items that may be reclassified to profit or loss:</i>			
Change in hedge reserves net of tax		4	(30)
Other comprehensive income for the period		4	(33)
Total comprehensive income for the period		68	2
Earnings per share			
Basic earnings per share (cents) from continuing operations ¹		2.9	1.7
Basic earnings per share (cents) from discontinuing operation		0.5	0.2
Basic earnings per share (cents) from continuing and discontinuing operations ¹		3.4	1.9
Diluted earnings per share (cents) from continuing operations ¹		2.9	1.7
Diluted earnings per share (cents) from discontinuing operation		0.5	0.2
Diluted earnings per share (cents) from continuing and discontinuing operations ¹		3.4	1.9
Weighted average ordinary shares (millions) - used for basic earnings per share		1,890	1,829
Dilutive potential ordinary share (options)		1	1
Weighted average ordinary shares and options (millions) - used for diluted earnings per share		1,891	1,830

See accompanying notes to the interim financial statements.

1. H1 FY25 balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 3 for further details.

2. Certain comparative information has been re-presented due to the data centre business being classified as a discontinuing operation in H2 FY25, see note 2.1 for further details.

Statement of financial position

NOTES	AS AT 31 DECEMBER 2025		AS AT 30 JUNE 2025	
	UNAUDITED	\$M	AUDITED	\$M
Current assets				
Cash ¹		85		34
Short-term receivables and prepayments ^{1,2}		787		939
Short-term derivative assets		9		-
Inventories		125		83
Taxation recoverable		98		114
Assets classified as held for sale	2.1	317		268
Total current assets		1,421		1,438
Non-current assets				
Long-term receivables and prepayments ¹		299		387
Long-term derivative assets		15		11
Long-term investments	5	75		76
Deferred tax assets ²		-		11
Right-of-use assets ²		531		555
Leased customer equipment assets		53		59
Property, plant and equipment ²		1,167		1,184
Intangible assets ²		820		804
Total non-current assets		2,960		3,087
Total assets		4,381		4,525
Current liabilities				
Short-term payables, accruals and provisions ¹		598		536
Short-term derivative liabilities		2		7
Short-term lease liabilities ²		113		107
Current debt ¹	6	486		412
Liabilities classified as held for sale	2.1	1		4
Total current liabilities		1,200		1,066
Non-current liabilities				
Long-term payables, accruals and provisions ¹		66		49
Long-term derivative liabilities		37		60
Long-term lease liabilities ²		724		760
Non-current debt	6	995		1,070
Deferred tax liabilities ²		5		-
Total non-current liabilities		1,827		1,939
Total liabilities		3,027		3,005
Equity				
Share capital		995		994
Reserves		(40)		(43)
Retained earnings		399		569
Total equity		1,354		1,520
Total liabilities and equity		4,381		4,525

See accompanying notes to the interim financial statements.

1. H1 FY26 balances have been impacted by the sale of interest-free payment (IFP) receivables, see note 2.2 for further details.
2. H1 FY26 and FY25 balances have been impacted by the data centre business being classified as held for sale, see note 2.1 for further details.

On behalf of the Board

Justine Smyth, CNZM

Chair

Authorised for issue on 18 February 2026

Jolie Hodson, MNZM

Chief Executive

Statement of changes in equity

SIX MONTHS ENDED 31 DECEMBER 2025	SHARE CAPITAL	RETAINED EARNINGS ¹	HEDGE RESERVES	SHARE-BASED COMPENSATION RESERVE	REVALUATION RESERVE ¹	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
UNAUDITED	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2025	994	569	(24)	3	-	(22)	1,520
Net earnings for the period	-	64	-	-	-	-	64
Other comprehensive income for the period	-	-	4	-	-	-	4
Total comprehensive income for the period	-	64	4	-	-	-	68
Contributions by, and distributions to, owners:							
Dividends	-	(236)	-	-	-	-	(236)
Supplementary dividends	-	(14)	-	-	-	-	(14)
Tax credit on supplementary dividends	-	14	-	-	-	-	14
Issuance of shares under share schemes	2	-	-	1	-	-	3
Other transfers	(1)	2	-	(2)	-	-	(1)
Total transactions with owners for the period	1	(234)	-	(1)	-	-	(234)
Balance at 31 December 2025	995	399	(20)	2	-	(22)	1,354

1. FY25 balances were impacted by the transfer of revaluation losses of \$402 million previously recognised through other comprehensive income to retained earnings following the disposal of Spark's investment in Hutchison on 25 June 2025.

SIX MONTHS ENDED 31 DECEMBER 2024	SHARE CAPITAL	RETAINED EARNINGS	HEDGE RESERVES	SHARE-BASED COMPENSATION RESERVE	REVALUATION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL
UNAUDITED	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Balance at 1 July 2024	810	1,194	12	4	(407)	(23)	1,590
Net earnings for the period	-	35	-	-	-	-	35
Other comprehensive income for the period	-	-	(30)	-	(3)	-	(33)
Total comprehensive income for the period	-	35	(30)	-	(3)	-	2
Contributions by, and distributions to, owners:							
Dividends	-	(254)	-	-	-	-	(254)
Supplementary dividends	-	(23)	-	-	-	-	(23)
Tax credit on supplementary dividends	-	23	-	-	-	-	23
Dividend reinvestment plan	94	-	-	-	-	-	94
Issuance of shares under share schemes	3	-	-	1	-	-	4
Other transfers	(1)	1	-	(1)	-	-	(1)
Total transactions with owners for the period	96	(253)	-	-	-	-	(157)
Balance at 31 December 2024	906	976	(18)	4	(410)	(23)	1,435

Statement of cash flows

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2025 UNAUDITED \$M	2024 UNAUDITED \$M
Cash flows from operating activities			
Receipts from customers ¹		2,177	1,977
Receipts from interest		13	15
Payments to suppliers and employees		(1,509)	(1,566)
Payments for income tax		(14)	(78)
Payments for interest on debt		(37)	(46)
Payments for interest on leases		(25)	(24)
Payments for interest on leased customer equipment assets		(2)	(3)
Net cash flows from operating activities	7	603	275
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	2
Payments for purchase of business, net of cash acquired		-	(2)
Receipts from loans receivable		-	3
Receipts from sale of long-term investment	2	48	-
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum), and capacity		(208)	(228)
Payments for spectrum intangible assets		(1)	-
Payments for assets classified as held for sale ²	2.1	(51)	-
Payments for capitalised interest		(4)	(4)
Net cash flows from investing activities		(216)	(229)
Cash flows from financing activities			
Proceeds from debt		5,968	5,427
Repayments of debt		(6,010)	(5,237)
Payments for dividends		(236)	(160)
Receipts from lease incentive		-	22
Payments for leases		(44)	(44)
Payments for leased customer equipment assets		(14)	(11)
Net cash flows from financing activities		(336)	(3)
Net cash flows		51	43
Opening cash position		34	59
Closing cash position		85	102
Cash included in assets classified as held for sale		-	2
Cash		85	100
Closing cash position		85	102

See accompanying notes to the interim financial statements.

1. H1 FY26 balances include \$239 million relating to proceeds from the sale of IFP receivables and \$4 million cash collected on behalf of Challenger Limited (Challenger). See note 2.2 for further details.

2. H1 FY26 payments were for capital expenditure on data centre assets held for sale, see note 2.1 for further details.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 About this report

Reporting entity

These unaudited interim financial statements are for Spark New Zealand Limited (the Company) and its subsidiaries (together Spark or 'the Group') for the six months ended 31 December 2025.

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 interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*, as appropriate for profit-oriented entities.

The accounting policies adopted are consistent with those followed in the preparation of Spark's annual financial statements for the year ended 30 June 2025. The preparation of the interim financial statements requires management to make estimates and assumptions. Spark has been consistent in applying the estimates and assumptions adopted in the annual financial statements for the year ended 30 June 2025. Certain comparative information has been updated to conform with the current year's presentation.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The only significant variances between instruments held at amortised cost and their fair value relate to long-term debt. There were no changes in valuation techniques during the period. 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. The fair value of receivables and prepayments are approximately equal to their carrying value.

As at 31 December 2025, capital expenditure amounting to \$852 million (30 June 2025: \$821 million) had been committed under contractual arrangements.

New and amended standards

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.

Amendments to NZ IFRS 9 and NZ IFRS 7 *Contracts Referencing Nature Dependent Electricity* introduce requirements which apply only to contracts that reference nature-dependent electricity. The amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Spark is yet to determine the disclosure impacts of these standards.

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 2 Significant transactions and events

The following significant transactions and events affected the financial performance and financial position of Spark for the six month period to 31 December 2025 or subsequent to balance date:

Debt programme (see note 6)

- On 27 November 2025, Spark announced it has extended the term of its existing \$125 million committed revolving sustainability linked loan facility with MUFG Bank, Ltd. by one year, to mature on 30 November 2026.

Capital expenditure

- Spark's additions to property, plant and equipment, intangible assets (excluding spectrum) and capacity right-of-use assets were \$271 million (31 December 2024: \$252 million).

Dividends

- Dividends paid during the six month period ended 31 December 2025 in relation to the H2 FY25 second-half ordinary dividend of 12.5 cents per share totalled \$236 million, with no shares offered under the dividend reinvestment plan. The dividends paid during the comparative six month period to 31 December 2024 in relation to the H2 FY24 second-half ordinary dividend of 14.0 cents per share totalled \$254 million. Of this, \$94 million was reinvested through the dividend reinvestment plan with the shares issued at a 3% discount to the prevailing market price around the time of issue.

Data centre business sale (see note 2.1)

- 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 was subject to regulatory and customary consents including Overseas Investment Office approval.
- As at 30 June 2025 and 31 December 2025, the data centre business has been classified as a discontinuing operation held for sale.
- On 30 January 2026, Spark completed the sale of 75% interest in its data centre business to Pacific Equity Partners. Total consideration includes cash proceeds of \$453 million received at completion date and potential additional deferred cash proceeds of up to \$98 million contingent on the achievement of certain performance-based objectives by 31 December 2026 and 31 December 2027. As part of the transaction, Spark transfers its data centre assets and operations into a new stand-alone company called 'TenPeaks Data Centres'. Following the completion of the sale, the remaining 25% interest in TenPeaks Data Centres will be equity accounted for as an investment in associate.

Sale of Interest-Free Payment (IFP) Receivables (see note 2.2)

- On 22 December 2025, Spark announced its partnership with ASX-listed financial services organisation Challenger Limited (Challenger) to establish a new financing structure for the IFP plans Spark offers its customers to acquire mobile handsets and other accessories.
- On 23 December 2025, Spark sold eligible receivables from its existing IFP customers to Challenger for \$239 million.
- In addition to the sale of Spark's existing IFP receivables, the partnership includes an ongoing arrangement with Challenger to sell future IFP receivables on a regular basis. Spark will continue to collect repayments from its mobile customers directly and transfer eligible handset receivables to Challenger at a fair value, reflecting financing costs and credit risk.

Long-term investments

- 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 which are presented in the statement of cash flows for the six months ended 31 December 2025.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1 Discontinuing operation held for sale**Data centre business**

As disclosed in note 2, following the announcement on 12 August 2025 to sell a 75% interest in the data centre business to Pacific Equity Partners, the business was 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:

SIX MONTHS ENDED 31 DECEMBER	2025 \$M	2024 \$M
UNAUDITED		
Operating revenues and other gains	24	23
Labour	(4)	(4)
Other operating expenses		
Network support costs	(1)	-
Accommodation costs	(5)	(6)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) from discontinuing operation	14	13
Depreciation and amortisation expense		
Depreciation and amortisation - property, plant and equipment and intangible assets	-	(6)
Depreciation - right-of-use assets	-	(1)
Net earnings before income tax from discontinuing operation	14	6
Income tax expense	(4)	(2)
Net earnings from discontinuing operation	10	4

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

	AS AT 31 DECEMBER 2025	AS AT 30 JUNE 2025
	UNAUDITED \$M	AUDITED \$M
Short-term receivables and prepayments	9	18
Right-of-use assets	1	3
Property, plant and equipment	290	236
Intangible assets	10	11
Deferred tax asset	7	-
Total assets classified as held for sale	317	268
Lease liabilities	1	4
Total liabilities classified as held for sale	1	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 exceeded the carrying value. As completion did not occur until 30 January 2026, the gain on sale calculation has not yet been completed. This will be completed prior to finalising the 30 June 2026 financial statements.

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

SIX MONTHS ENDED 31 DECEMBER	2025 \$M	2024 \$M
UNAUDITED		
Net cash flows from operating activities	9	11
Net cash flows from investing activities	(51)	(25)
Net cash flows from financing activities	-	(1)
Net cash flows from discontinuing operation	(42)	(15)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.2 Sale of IFP Receivables

The sale of the IFP receivables on 23 December 2025 resulted in a net loss of \$3 million as set out below:

SIX MONTHS ENDED 31 DECEMBER	NOTE	2025 \$M
UNAUDITED		
Cash inflow arising from sale of IFP receivables		239
Less: transaction costs		(3)
Less: service fees		(1)
Net cash flow on sale of IFP receivables		235
Less: carrying amount of the IFP receivables sold		(245)
Add: carrying amount of the associated expected credit loss allowance provision		7
Net loss on sale of IFP receivables	3	(3)

Spark derecognised the IFP receivables sold to Challenger except for the extent of its continuing involvement which represents the maximum amount of consideration that Spark may be required to repay in relation to the IFP discounts over the life of the plan. Given the continuing involvement, which Spark has retained control over, Spark has neither transferred nor retained substantially all the risks and rewards of ownership which is primarily credit risk. Continuing involvement balances are presented within receivables and payables respectively.

Derecognition of Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows expire, or when the rights to receive those cash flows are transferred and substantially all of the risks and rewards of ownership are transferred, in accordance with NZ IFRS 9 *Financial Instruments*.

Where interest-free payment receivables are sold and the Group retains exposure to a portion of the future cash flows, the asset is derecognised only to the extent that risks and rewards have been transferred. The Group recognises a continuing involvement asset for its retained interest and a continuing involvement liability for any obligation to pass through or repay amounts under the transfer arrangement. These items are measured at the lower of the retained interest in the asset and the maximum amount the Group may be required to repay.

Significant Judgements

Judgement is required in assessing whether the sale of interest-free payment receivables results in derecognition under NZ IFRS 9. Key judgements include:

- Extent of risks and rewards transferred – evaluating whether the Group has transferred substantially all risks and rewards to the purchaser.
- Assessment of continuing involvement – determining the portion of cash flow variability the Group remains exposed to and the resulting continuing involvement asset and liability to recognise.
- Measurement of exposure – estimating the maximum amount the Group may be required to repay or pass through under the transfer arrangement.

These judgements directly affect the amount of receivables derecognised and the measurement of related continuing involvement balances.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 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 reclassified the comparative segment results:

- The IT products, IT services and High tech are redistributed between Other products and three new categories: Other connectivity, Cloud, and Service management in H1 FY26 to more accurately reflect how these products are viewed and the comparative information has been re-presented to reflect this.
- The majority of the data centre business included within other products segment has been classified as a discontinuing operation in H2 FY25 and H1 FY26 and the comparative information has been re-presented to reflect this. See note 2.1 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.

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2025			2024		
	OPERATING REVENUES \$M	PRODUCT COSTS \$M	PRODUCT MARGIN \$M	OPERATING REVENUES \$M	PRODUCT COSTS \$M	PRODUCT MARGIN \$M
Mobile	754	(258)	496	739	(251)	488
Broadband	303	(162)	141	302	(162)	140
Other connectivity ¹	163	(85)	78	182	(96)	86
Cloud	120	(63)	57	118	(61)	57
Service management	49	(13)	36	61	(18)	43
Voice	65	(30)	35	78	(36)	42
Procurement and partners	344	(325)	19	332	(307)	25
Other products ²	71	(23)	48	81	(34)	47
Segment results	1,869	(959)	910	1,893	(965)	928

1. Other connectivity includes IoT, Managed data and networks, security and collaboration.

2. Other products includes mobile infrastructure and exchange building sharing arrangements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information (continued)

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

SIX MONTHS ENDED 31 DECEMBER	2025 \$M	2024 \$M
UNAUDITED		
Segment product margin	910	928
Other gains		
Gain on sale and acquisition of property, plant and equipment and intangibles	12	1
Gain on lease modifications and terminations	12	22
Labour ^{1,2}	(214)	(269)
Other operating expenses		
Network support costs	(55)	(52)
Computer costs	(75)	(74)
Accommodation costs	(43)	(42)
Advertising, promotions and communication	(41)	(31)
Bad debts	(10)	(10)
Other ^{1,2}	(48)	(67)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	448	406
Finance income		
Finance lease interest income	4	4
Other interest income	10	11
Finance expense		
Finance expense on debt	(35)	(41)
Lease interest expense	(26)	(25)
Leased customer equipment interest expense	(2)	(3)
Other interest and finance expenses	(7)	(10)
Loss on sale of IFP receivables	(3)	-
Capitalised interest	4	4
Depreciation and amortisation expense		
Depreciation - property, plant and equipment	(139)	(141)
Depreciation - right-of-use assets	(53)	(49)
Depreciation - leased customer equipment assets	(13)	(13)
Amortisation - intangible assets	(99)	(90)
Net investment income		
Share of associates' and joint ventures' net losses	(1)	(6)
Interest income on loans receivable from associates and joint ventures	-	6
Net earnings before income tax from continuing operations	88	53

1. H1 FY26 balances include additional transaction costs of \$9 million (\$2 million in labour and \$7 million in other operating costs) incurred in relation to the sale of the data centre business in January 2026.

2. H1 FY25 balances include additional transformation costs of \$29 million (\$2 million in labour and \$27 million in other operating costs which were mostly severances) associated with Spark's SPK-26 Operate Programme.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 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 interim financial statements.

SIX MONTHS ENDED 31 DECEMBER	2025 \$M	2024 \$M
UNAUDITED		
Net earnings from continuing operations for the period reported under NZ IFRS	54	31
Less: finance income	(14)	(15)
Add back: finance expense	69	75
Add back: depreciation and amortisation	304	293
Add back: net investment income	1	-
Add back: income tax expense	34	22
EBITDAI from continuing operations	448	406

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 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 significant items of an unusual or infrequent nature (such as gains, expenses and impairments) individually greater than \$25 million. In the six months ended 31 December 2025, the incremental transaction costs incurred in relation to the sale of the data centre business in January 2026 amounted to \$9 million. They were deemed significant to adjust as they will form part of the gain on sale calculation for the data centre business which will be reported in the full year financial statements to 30 June 2026. In the six months ended 31 December 2024, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to \$29 million and were deemed significant to adjust.

SIX MONTHS ENDED 31 DECEMBER	NOTES	2025 \$M	2024 \$M
UNAUDITED			
EBITDAI from continuing operations		448	406
EBITDAI from discontinuing operation	2.1	14	13
Add: transaction costs related to data centre business sale	3	9	-
Add: transformation costs	3	-	29
Adjusted EBITDAI		471	448
Net earnings from continuing operations for the period reported under NZ IFRS		54	31
Net earnings from discontinuing operation for the period reported under NZ IFRS	2.1	10	4
Add: transaction costs related to data centre business sale	3	9	-
Add: transformation costs	3	-	29
Less: tax effect on transformation costs		-	(8)
Adjusted net earnings		73	56

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 debt due within one year, 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 below:

	AS AT 31 DECEMBER 2025	AS AT 30 JUNE 2025
	UNAUDITED \$M	AUDITED \$M
Cash	(85)	(34)
Current debt at face value	490	417
Non-current debt at face value	1,020	1,085
Net debt at face value	1,425	1,468
To retranslate debt balances at swap rates where hedged by currency swaps	(32)	7
Net debt at hedged rates¹	1,393	1,475
<i>Non-cash adjustments</i>		
Impact of fair value hedge adjustments ²	6	7
Unamortised discount	(9)	(4)
Net debt at carrying value	1,390	1,478

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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 5 Long-term investments

	MEASUREMENT BASIS	AS AT 31 DECEMBER 2025		AS AT 30 JUNE 2025	
		UNAUDITED \$M	AUDITED \$M	UNAUDITED \$M	AUDITED \$M
Investment in associates and joint ventures	Equity method	72	73		
Other long-term investments	Cost	3	3		
Total long-term investments		75	76		

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. There were no significant changes in long-term investments in H1 FY26.

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 31 December 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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt

AS AT 30 JUNE	FACILITY	COUPON RATE	MATURITY	AS AT 31 DECEMBER 2025	AS AT 30 JUNE 2025
				UNAUDITED \$M	AUDITED \$M
Current debt					
Commercial paper		Variable	< 3 months	120	150
				120	150
Supplier financing arrangements ¹		Variable	< 30/06/2029	27	32
				27	32
Bank funding					
MUFG Bank, Ltd. ^{2,3}	125 million NZD	Variable	30/11/2026	-	125
Westpac New Zealand Limited ²	200 million NZD	Variable	30/11/2026	100	-
				100	125
Domestic notes					
125 million NZD		3.94%	07/09/2026	125	-
				125	-
Foreign currency Medium Term Notes					
Australian Medium Term Notes - 100 million AUD		1.90%	05/06/2026	114	105
				114	105
Total current debt				486	412
Non-current debt					
Supplier financing arrangements ¹		Variable	< 30/06/2029	24	28
				24	28
Bank funding					
Commonwealth Bank of Australia ²	100 million NZD	Variable	28/11/2027	100	70
				100	70
Domestic notes					
125 million NZD		3.94%	07/09/2026	-	124
100 million NZD ⁴		4.37%	29/09/2028	100	100
125 million NZD		5.21%	18/09/2029	129	129
175 million NZD		5.45%	18/09/2031	181	182
				410	535
Foreign currency Medium Term Notes					
Australian Medium Term Notes - 150 million AUD		4.00%	20/10/2027	171	160
Australian Medium Term Notes - 125 million AUD		2.60%	18/03/2030	128	123
Norwegian Medium Term Notes - 1 billion NOK ⁵		3.07%	19/03/2029	162	154
				461	437
Total non-current debt				995	1,070
Total debt				1,481	1,482

- With respect to arrangements with outstanding liabilities at 31 December 2025, including those entered into in prior years, financing providers have paid suppliers a total of \$112 million, Spark has accrued interest of \$7 million and made payments against these arrangements of \$68 million, resulting in a closing liability of \$51 million as at 31 December 2025 (30 June 2025: financers have paid suppliers \$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). 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.
- 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.
- As disclosed in note 2, on 27 November 2025 the MUFG facility was extended to mature on 30 November 2026, however it was undrawn as at 31 December 2025.
- This bond is a sustainability linked bond. The bond includes an interest rate step up depending on the achievement of a sustainability target as at 30 June 2026.
- Norwegian krone.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt (continued)

Changes in Spark's short-term and long-term financing are disclosed in note 2 of these interim financial statements.

The fair value of total debt based on market observable prices, was \$1,500 million compared to a carrying value of \$1,481 million as at 31 December 2025 (30 June 2025: fair value of \$1,489 million compared to a carrying value of \$1,482 million).

Note 7 Reconciliation of net earnings to net cash flows from operating activities

SIX MONTHS ENDED 31 DECEMBER	2025 \$M	2024 \$M
UNAUDITED		
Net earnings for the period	64	35
Adjustments to reconcile net earnings to net cash flows from operating activities		
Depreciation and amortisation	304	300
Bad and doubtful accounts	11	11
Deferred income tax	8	(2)
Share of associates' and joint ventures' net losses	1	6
Interest income on loans receivable from associates and joint ventures	-	(6)
Gain on sale and acquisition of property, plant and equipment and intangibles	(12)	(11)
Gain on lease modifications and terminations	(12)	(22)
Other	4	2
Changes in assets and liabilities net of effects of non-cash and investing and financing activities		
Movement in receivables and related items ¹	184	(13)
Movement in inventories	(42)	(24)
Movement in current taxation	16	(51)
Movement in payables and related items	77	40
Net cash flows from operating activities	603	275

1. H1 FY26 movement has been impacted by the sale of IFP receivable, see note 2.2 for further details.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 8 Dividends

On 17 February 2026, the Board approved the payment of a first-half ordinary dividend of 8.0 cents per share or approximately \$151 million. The dividend will be 50% imputed. In addition, supplementary dividends totalling approximately \$6 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 FY26 ORDINARY DIVIDENDS
Dividends declared	
Ordinary shares	8.0 cents
American Depository Shares ¹	24.16 US cents
Imputation	
Percentage imputed	50%
Imputation credits per share	1.5556 cents
Supplementary dividend per share ²	0.7059 cents
'Ex' dividend dates	
New Zealand Stock Exchange	19/03/2026
Australian Securities Exchange	19/03/2026
American Depository Shares	20/03/2026
Record dates	
New Zealand Stock Exchange	20/03/2026
Australian Securities Exchange	20/03/2026
American Depository Shares	20/03/2026
Payment dates	
New Zealand and Australia	10/04/2026
American Depository Shares	20/04/2026

1. Spark's American Depository 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 H1 FY26, these are based on the exchange rate at 13 February 2026 of NZ\$1 to US\$0.6039 and a ratio of five ordinary shares per one American Depository 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 is currently suspended.

Note 9 Events occurring after the reporting period

Other than the sale of the data centre business disclosed in note 2, no significant transactions have occurred subsequent to the reporting period.

Deloitte.

Independent Auditor's Review Report to The Shareholders of Spark New Zealand Limited

Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of Spark New Zealand Limited ('the Company') and its subsidiaries ('the Group') on pages 3 to 18 which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2025 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Interim Financial Statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) ('PES 1') as applicable to audits and reviews of public interest entities. We also have fulfilled our other ethical responsibilities in accordance with PES 1.

Our firm carries out other assignments for Spark New Zealand Limited in relation to the statutory audit, other assurance related services (including trustee reporting, Greenhouse Gas Emissions limited assurance and agreed upon procedures in relation to the sustainability linked loans), regulatory assurance engagements and non-assurance services (such as CPO Vantage Programme, CFO Vantage Programme as well as administrative and other advisory services provided to the Corporate Taxpayer Group of which Spark New Zealand Limited is a member). These services have not impaired our independence as auditor of the 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 Company, and its subsidiaries and this matter has not impacted our independence. Also, 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 Group. The firm has no other relationship with, or interest in the Group.

Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the interim financial statements.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review 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 engagement, for this report, or for the conclusions we have formed.

Deloitte Limited

Melissa Collier, Partner for Deloitte Limited

Auckland, New Zealand

18 February 2026

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Spark New Zealand
H1 FY26 Results Summary

Jolie Hodson, Chief Executive Officer
Stewart Taylor, Chief Financial Officer

Disclaimer

The information in this announcement has been prepared by Spark New Zealand Limited.

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This announcement may include forward-looking statements about Spark New Zealand and the environment in which Spark New Zealand operates, including indications of, and guidance on, future events and financial performance. Such forward-looking statements are based on the beliefs of and assumptions made by management along with information currently available at the time such statements were made.

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H1 FY26 results summary

Continued momentum – mobile service revenue growth and cost-out discipline delivering strong EBITDAI and free cash flow growth

	H1 FY26 Outcome	Change vs H1 FY25
Adjusted Revenue	\$1,917 million	1.1% decrease
Adjusted EBITDAI	\$471 million	5.1% increase
Free cash flow	\$107 million ³	84.5% increase

H1 FY26 result

 Strong EBITDAI and free cash flow (FCF) growth relative to H1 FY25, FY26 guidance reaffirmed

SPK-30 strategy



Continued momentum in mobile, productivity, network performance, and customer experience

- 1 Mobile service revenue up 1.6%
- 2 \$51 million cost out delivered in H1
- 3 #1 for 4G and 5G coverage experience¹
- 4 Customer experience (iNPS) up 5 points²

Dividend and capital management



Data centre transaction completion to support debt reduction, dividend of 8 cents per share declared

- Data centre transaction completed
- Established new financing structure for IFP^{3,4}
- Debt on track to reduce to ~1.7x net debt/EBITDAI
- H1 FY26 dividend of 8 cps declared, 50% imputed

(1) Spark ranked first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability. As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(2) December 2025 score of 41 – up +5 points since December 2024, and +1 point from end FY25

(3) The impact of the sale of the Interest Free Payments (IFP) receivable book has been removed from the calculation of working capital which contributes to free cash flow
(4) Interest Free Payments for handsets and accessories

H1 FY26 financial snapshot

Adjusted revenue ^{1,3}

\$1,917 million

1.1% decrease vs. H1 FY25

Reported revenue ²

\$1,893 million

1.2% decrease vs. H1 FY25

Adjusted EBITDAI ^{3,4}

\$471 million

5.1% increase vs. H1 FY25

Reported EBITDAI ²

\$448 million

10.3% increase vs. H1 FY25

Adjusted NPAT ³

\$73 million

30.4% increase vs. H1 FY25

Reported NPAT

\$64 million

82.9% increase vs. H1 FY25

BAU Capex

\$217 million

8.8% decline vs. H1 FY25

Free cash flow

\$107 million

84.5% increase vs. H1 FY25

H1 FY26 dividend

8 cents per share, 50% imputed

(1) Operating revenues and other gains

(2) Reported revenue and EBITDAI exclude the results of the data centre business which is classified as a discontinuing operation in the Financial Statements

(3) Adjusted revenue, EBITDAI and NPAT include the data centre business in H1 FY26 and H1 FY25. Adjusted EBITDAI and NPAT exclude \$9m of transaction costs in H1 FY26 incurred in relation to the sale of the data centre business (which will form part of the gain on sale calculation in H2 FY26) and \$29m of transformation costs (and associated tax impact) incurred in the implementation of the SPK-30 strategy in H1 FY25.

(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. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs

Mobile performance overview

Mobile service revenue growth driven by new product development, focused campaign activity, and plan mix

Spark mobile performance

- Mobile service revenues grew 1.6%, supported by:
 - Continued ARPU growth in Consumer and SME Pay Monthly, with connections largely flat
 - Connection and ARPU trends stabilising in both Prepaid and Enterprise and Government, following plan refreshes and targeted retention activity
 - Wholesale revenue growth driven mainly by B2B messaging product refresh and MVNO activity

	H1 FY25 ¹	H1 FY26	% change
Mobile Service Revenue			
Total	\$491m	\$499m	+1.6%
Consumer and SME	\$428m	\$437m	+2.1%
Enterprise and Government	\$51m	\$47m	-7.8%
Wholesale	\$12m	\$15m	+25%
Connections and ARPU – Consumer and SME			
Pay monthly connections	1,207k	1,203k	-0.3%
Prepaid connections	1,106k	1,077k	-2.6%
Pay monthly ARPU	\$44.03	\$46.23	+5.0%
Prepaid ARPU	\$16.21	\$15.98	-1.4%
Connections and ARPU – Enterprise and Government			
Connections	312k	308k	-1.3%
ARPU	\$27.18	\$25.05	-7.8%

(1) FY25 H1 total restated to reallocate Digital Island connections from Enterprise and Government to Consumer and SME, post divestment

Mobile performance detail

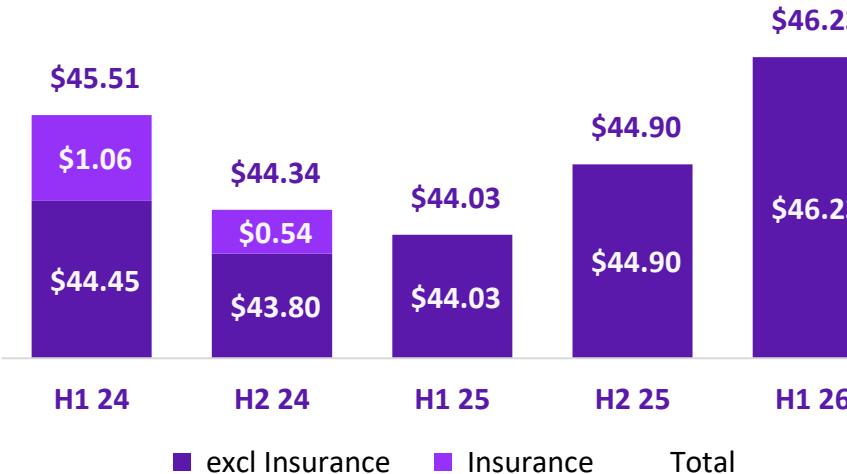
SPK-30 focus on core connectivity driving mobile performance improvements since end FY25

Consumer and SME Pay Monthly

Strong ARPU growth in highest value segment

- Pay monthly connections broadly flat
- Strong ARPU growth supported by customer uptake of more competitive, high value plans
- IFP acquisitions up 15% YoY – linked to higher value customers and stronger retention
- New Kids Plan launched, requiring a parent on a >\$50 plan – supporting base growth and retention

Consumer and SME Pay Monthly ARPU

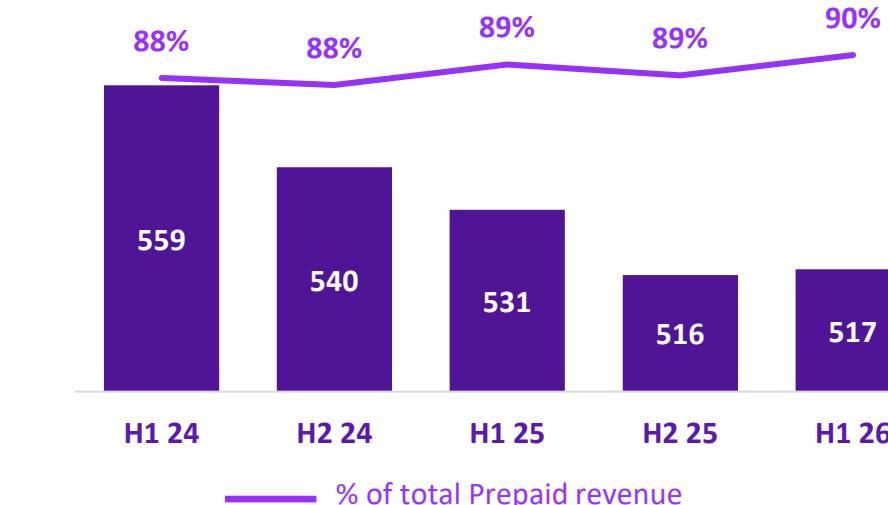


Consumer Prepaid

Highest value connections (NZ packs) stabilising

- Spark prepaid connections include three segments – NZ packs, casuals, and travellers
- NZ packs account for ~90% of prepaid revenue and connection decline is stabilising following plan refresh and strong promotional activity
- This secures a platform for future cross and up-sell, as further product development and offers are launched
- Skinny prepaid NZ base grew 2%, with strong uptake of long-term plans launched in H1

NZ Base

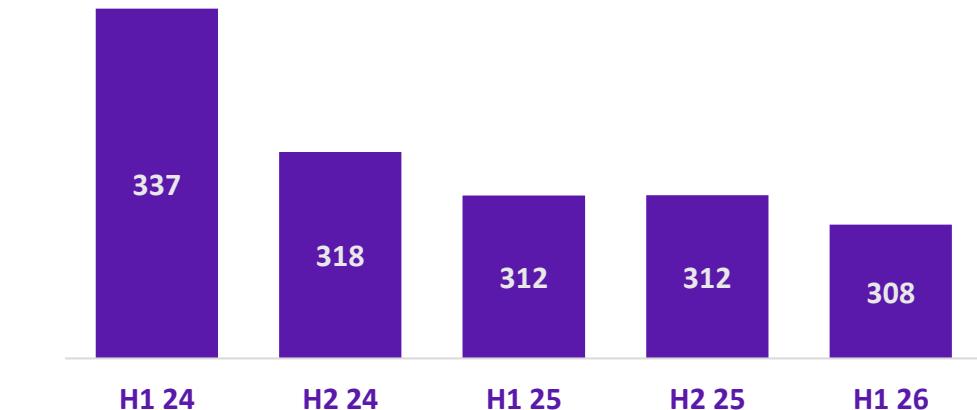


Enterprise and Government

Connections and ARPU further stabilising since FY25

- Slower rate of ARPU decline – down 7.8% in H1 FY26 vs 13.4% in FY25
- ~7k connections on-boarded in H1 from recent wins
- More customers won than lost in H1 – small connection decline due to fleet shrinkage (including 3G shutdown) and low value connection loss
- H2 benefitting from new wins and re-signs

E&G Connections (000)

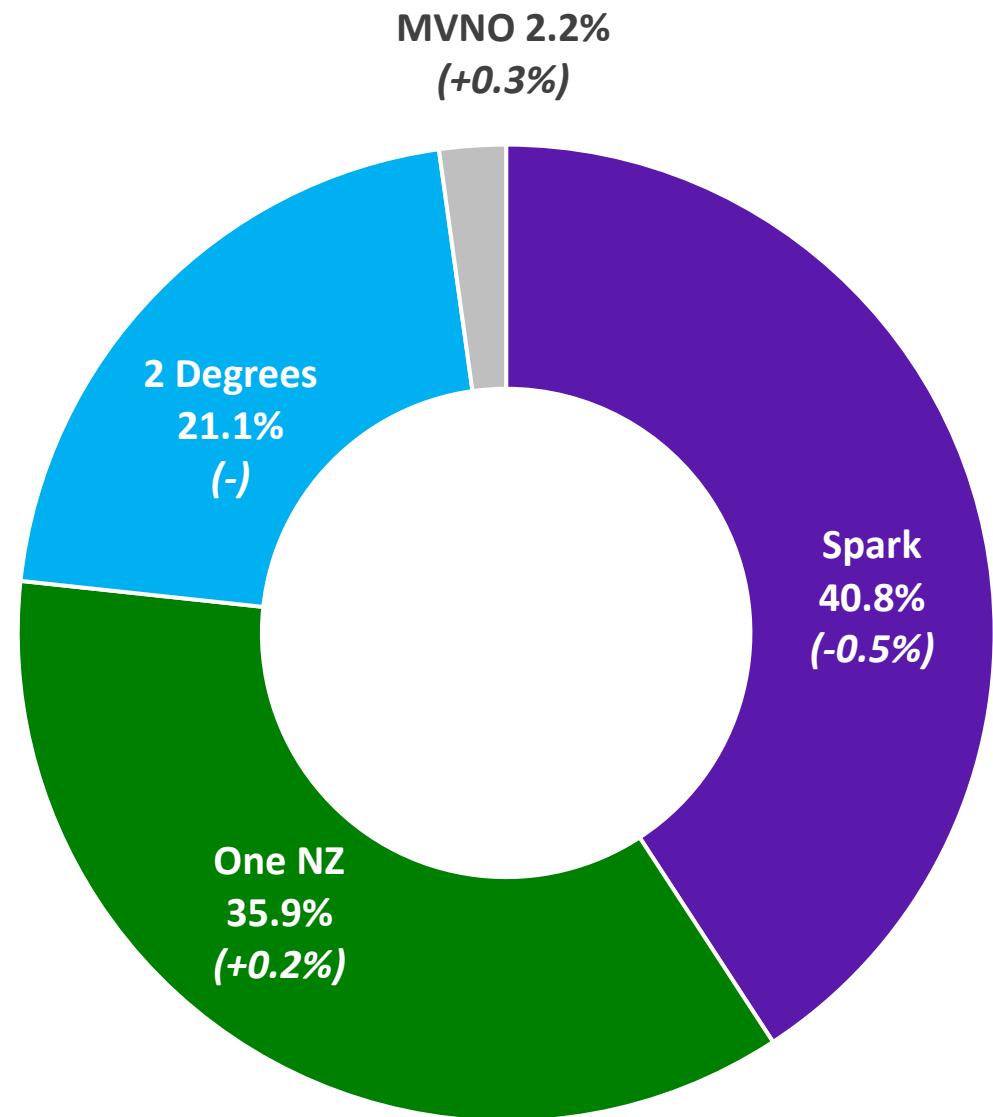


Overall market growth

Mobile market growth continues to improve over the last six months

Overall mobile market performance⁽¹⁾

- Total mobile market by revenue grew ~1.3% since 30 June 25
- Spark's mobile service revenue continues to grow, but at a slower rate than the market, resulting in a small share contraction of 0.5pp
- Spark has ~40% of MVNO connections, and Spark MVNO revenue growth is broadly in line with MVNO market growth



(1) All comparisons are market share estimates sourced from IDC as at 31 December 2025

Strong pipeline of market activity

Continued investment in new technology, product, customer and network experiences

5G Standalone capabilities launching

Growing pipeline of Business customers accessing private network capability, trialling slicing use cases

Competitive revamp of roaming

New and improved roaming product to launch – more competitive in a growing e-SIM market, with better CX

Skinny technology investment

Technology platform upgrade to provide new product functionality and better customer experiences

Satellite-to-mobile on its way

Satellite text and data testing underway, with customer launch planned for H2¹

Growing coverage leadership

Continuing to strengthen coverage leadership², with >100 new and upgraded sites planned for H2 FY26

#1 rated telco app in NZ³

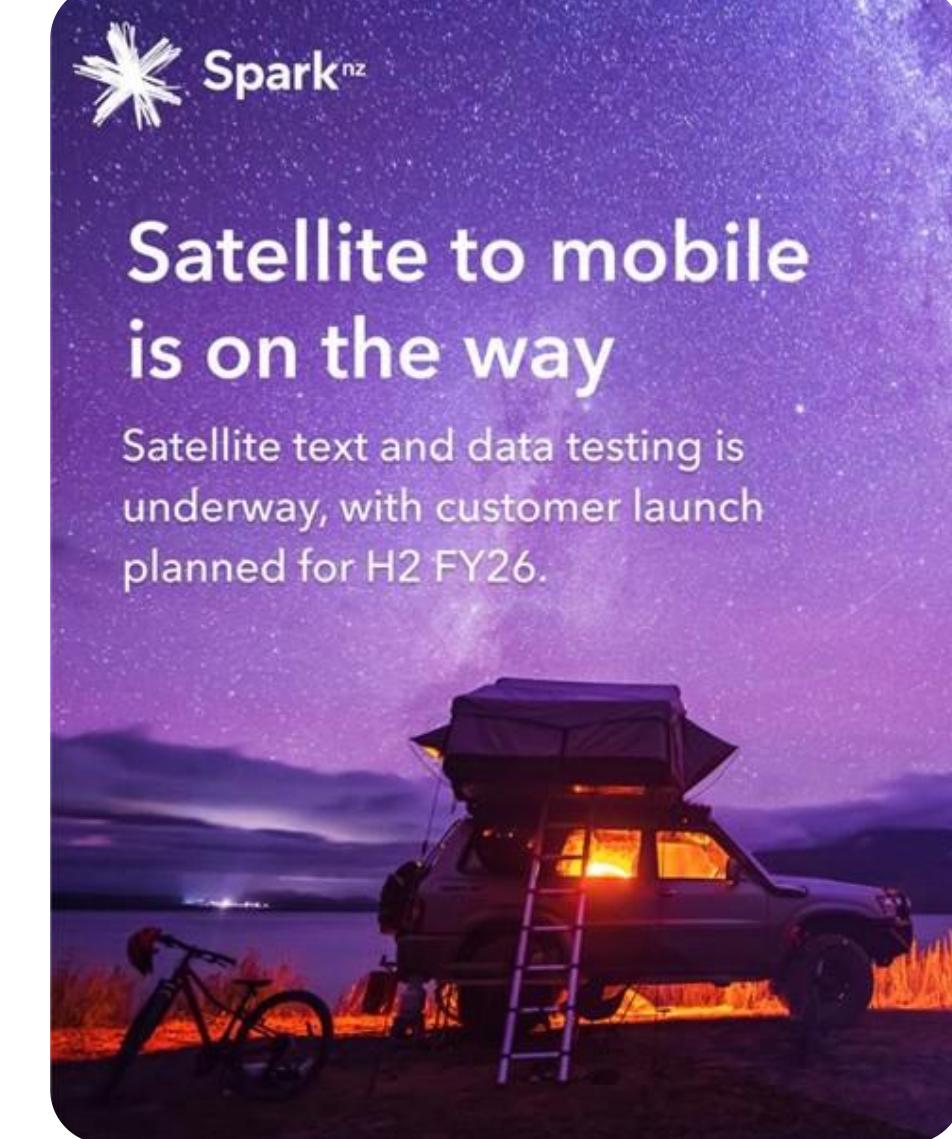
New MySpark App to further extend CX advantage, with new customer experience, service, and safety features

Continued brand and marketing investment in *It's Better with Spark* platform

(1) Eligible phone, plan, and line of sight to the sky required

(2) Spark ranked first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability. As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(3) Based on customer ratings in Apple App Store



Connectivity and IT performance summary

Broadband revenue stable, cloud growth continues, while other connectivity and service management decline

Core connectivity

- **Broadband:** revenue stable, with refreshed wireless broadband plans and mobile bundling propositions launching in H2
- **Voice:** decline in line with long-term trend
- **Other connectivity¹:** revenue decline driven by the divestment of Digital Island and migration off legacy products to modern, lower ARPU alternatives

Beyond the core

- **Cloud:** revenue growth driven by continued migration from private to public and expansion of existing public cloud environments to support rising data storage needs
- **Service management:** revenue declined as business project activity remains muted and customers continue to migrate off legacy products to lower ARPU alternatives
- **Simplification update:** continued focus driving cost efficiency. Migration of customers off legacy collaboration products on track to complete in H2 FY26

	H1 FY25	H1 FY26	% change
Core Connectivity			
Broadband	\$302m	\$303m	0.3%
Voice	\$78m	\$65m	(16.7%)
Other Connectivity ¹	\$182m	\$163m	(10.4%)
Beyond the core			
Cloud	\$118m	\$120m	1.7%
Service Management	\$61m	\$49m	(19.7%)

(1) Includes IoT, Managed data and networks, collaboration, and security

Cost reduction programme on track

Disciplined execution delivers significant net cost reduction in H1

FY26 net cost reduction target of \$30m-\$50m heavily weighted to H1

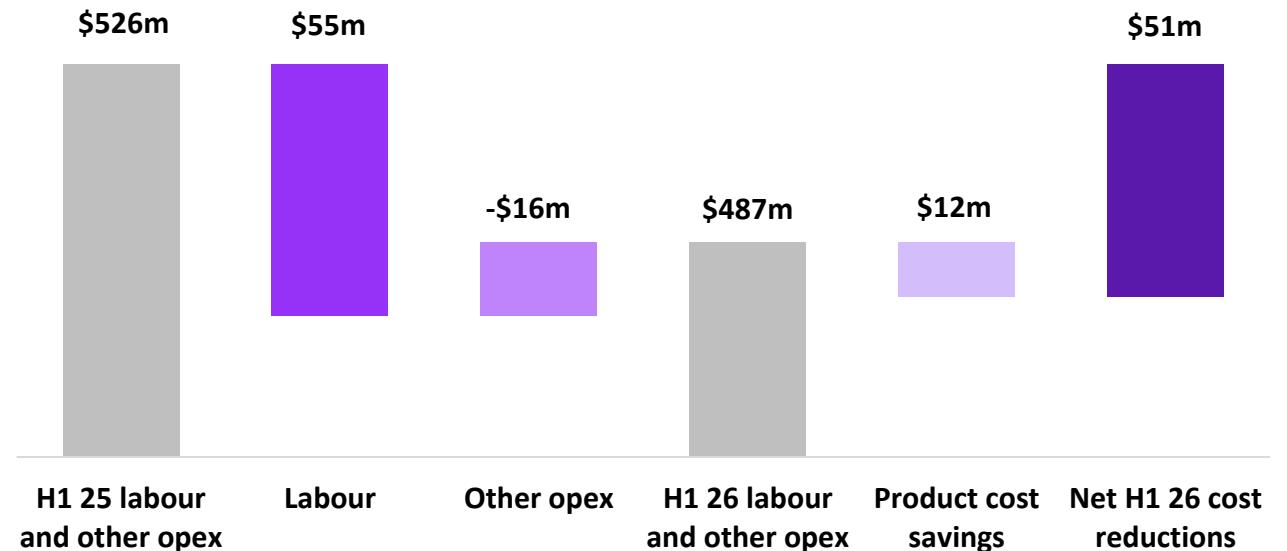
- \$51m in productivity savings delivered by:
 - \$55m of net labour reductions, reflecting the benefit of changes in calendar 2025;
 - \$12m of product cost reductions, previously expected to fall in other opex;
 - Offset by \$16m increase in other opex, primarily due to planned \$11m marketing spend to drive business growth and expected changes under the new technology delivery model

As a result, the FY26 net cost reduction target has been narrowed to \$40m-\$50m

- In H2 further productivity savings will be delivered, however, these reductions are not expected to continue at the same rate as H1 on a PCP basis:
 - FY26 labour costs continue to trend down, with much of this benefit front run in H1 from FTE reductions in FY25 and further simplification in H1 FY26;
 - A weighting towards significant product cost savings in H2 FY26 from improved buying terms;
 - Increases in other opex with a full year of the new technology delivery model, inflationary cost pressures, severances, and legacy shutdown, while higher marketing costs normalise

On track to deliver annualised targeted savings of \$110m-\$140m by end of FY27¹

H1 FY25 to H1 FY26 YoY Cost Reduction



(1) Subject to no material adverse change in operating outlook

Our ambition: It's better with Spark

New strategic focus delivering better network and customer experiences

Better Network

- **Expanded Spark's 4G coverage leadership to also include 5G**, as independently rated by OpenSignal¹
- **Expanded network coverage and performance** with >100 sites built and upgraded, and 5G Standalone trials delivering peak speed increases of ~75%
- **New network monetisation opportunities** in testing with Aduna, focused on SIM swap and number verification to improve customer security
- **Expanded network safety for customers** with automated network blocking of malicious websites introduced

Better CX

- **iNPS up 5 points²** YoY – driven by simplified customer journeys, faster support, and improved online experiences
- **New in-app caller authentication** reducing average call times by ~2 minutes, and supporting faster in-store support
- **Better Prepaid app experience** with fewer steps to purchase, and more intuitive customer care
- **Outage Assist** kept over 400,000 broadband customers connected, delivering ~6.5 million GB of free mobile data during H1

Made better by AI

- AI trial launched to automatically adjust energy use, coverage, and capacity at cell sites in line with demand
- 'Vibe-e' collaboration with Infosys – an AI coding initiative that automates software testing to increase product speed to market

- AI now identifying repeat customer interactions and escalating for faster resolution – supporting customers with complex needs
- Agentic AI now reducing collaboration product set up time by ~60% for business customers

(1) Spark ranked first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability.
As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report.

(2) December 2025 score of 41 – up 5 points since December 2024, and 1 point from end FY25

Sustainability

Consistent progress, maintaining top quartile position in the S&P Corporate Sustainability Assessment



Continued progress towards emissions reduction targets

- Science-based emissions target (SBTi) on track – scope 1 and 2 emissions 32% lower than the trajectory required in H1 FY26 to meet 2030 target¹

Ethical supply chain practices continue to mature

- Received 'A' rating in Monash University's annual Modern Slavery Disclosure Quality Ratings of ASX100 Companies

Continued to lead digital equity progress alongside our communities

- Not-for-profit broadband product, Skinny Jump, now supporting over 34,500 households in need across the country
- Maintained top quartile position in the World Benchmarking Alliance's Digital Inclusion Benchmark

(1) Our H1 emissions reduction performance reflects data centre operations and 53,849 MWh of renewable energy generated by the Lauriston solar farm. The reported half year reduction is provisional and may change following year end reconciliation

Data centre transaction completed

Sale of a 75% stake to Pacific Equity Partners (PEP) completed, with Spark retaining a 25% stake in the growing data centre market

Transaction details

- Realises value for data centre assets now, while creating further value for shareholders over the long term through Spark's 25% retained stake
- Spark received initial cash proceeds of ~\$453m¹, with additional deferred cash proceeds of up to ~\$98 million contingent on the achievement of performance-based objectives by end 2027

TenPeaks Data Centres

- Data centre assets and operations transferred over to new stand-alone company – TenPeaks – with customer transition well underway
- 23MW of capacity currently operational, with 130MW+ capacity development pipeline and significant growth potential beyond



(1) Final net proceeds subject to completion adjustments and deferred cash proceeds

Our SPK-30 strategy ambitions

Strong progress in first six months of new five-year strategy

Financial Ambition ¹			Non-Financial Ambition		
	FY30	H1 FY26 Update		FY30	H1 FY26 Update
Productivity	Annualised savings of \$150m-\$180m (from FY24 baseline)	On track	Customer	>45+ iNPS (industry best practice)	41+ up 5pts from H1 FY25
EBITDAI	Low single digit CAGR from FY25-FY30	On track	Network	Maintain: Most reliable network, with widest coverage experience ³	Maintained #1 for widest coverage experience (4G and 5G), tied #1 for reliability ³
Capex	Capex to revenue ratio 10-12%	On track	Employee	Top quartile employee engagement	Employee engagement up 9 points from H2 FY25
Free cash flow	Mid-single digit CAGR from FY25-FY30	On track	Sustainability	Reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY20 baseline year	On track – scope 1 and 2 emissions 32% lower than the trajectory required in H1 FY26 to meet 2030 target
ROIC²	11-13%	On track			

(1) Financial and non-financial ambitions should not be relied upon by investors as guidance. Annual guidance will be provided for each year at the FY results briefing

(2) 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)

(3) Spark ranked first for overall coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability. As awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

Financial summary

H1 FY26 financial summary

	REPORTED H1 FY25	REPORTED H1 FY26	CHANGE	ADJUSTED H1 FY25	ADJUSTED H1 FY26	CHANGE
Operating revenues and other gains	1,916	1,893	(1%)	1,939	1,917	(1%)
Operating expenses	(1,510)	(1,445)	(4%)	(1,491)	(1,446)	(3%)
EBITDAI	406	448	10%	448	471	5%
Net financing cost	(60)	(55)	(8%)	(60)	(55)	(8%)
Depreciation and amortisation	(293)	(304)	4%	(300)	(304)	1%
Net investment income/(expense)	-	(1)	NM	-	(1)	NM
Net earnings before tax expense	53	88	66%	88	111	26%
Tax expense	(22)	(34)	55%	(32)	(38)	19%
Net earnings after tax expense	31	54	74%	56	73	30%
Net earnings from discontinuing operation	4	10	NM	-	-	-
Total net earnings after tax expense	35	64	83%	56	73	30%
BAU capital expenditure	238	217	(9%)	238	217	(9%)
Free cash flows excluding spectrum	58	107	84%	58	107	84%
EBITDAI margin	21.2%	23.7%	2.5%pts	23.1%	24.6%	1.5%pts
Effective tax rate	41.5%	38.6%	(2.9%)pts	36.4%	34.2%	(2.2%)pts
Capex to operating revenues and other gains ²	13.2%	14.3%	1.1% pts	13.0%	14.1%	1.1%pts
Total earnings per share (cents)	1.7	2.9 ¹	71%	3.1	3.9	26%
Total dividend per share (cents)	12.5	8.0	(36%)	12.5	8.0	(36%)

(1) From continuing operations

(2) Capex in this ratio includes strategic and BAU capex – H1 FY26 is elevated with \$54m of strategic capex related to the data centre business

H1 FY26 financial summary

Reported result vs. H1 FY25

- Reported operating revenue and other gains down 1% to \$1,893m
- Reported EBITDAI up 10%, or \$42m, to \$448m
- Net financing costs of \$55m decreased 8% due to lower average net debt, while tax expense of \$34m was 55% higher due to greater pre-tax earnings
- Discontinued earnings of \$10m related to the contribution from the data centres business – up on the PCP as assets held for sale are no longer depreciated
- Reported NPAT up 83% to \$64m
- BAU capital expenditure reduced 9% to \$217m as the 5G rollout matures

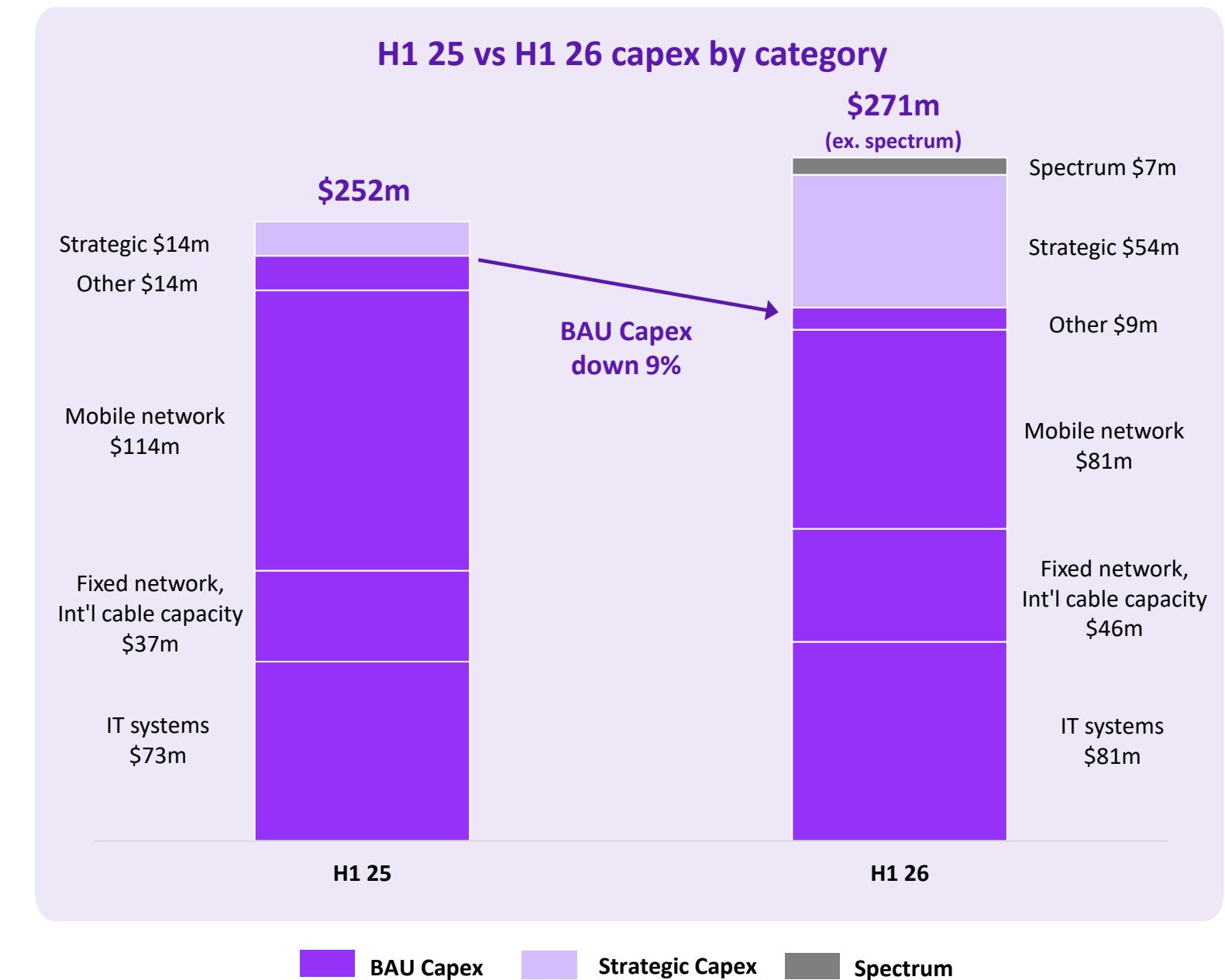
Adjusted result vs. H1 FY25

- Adjusted revenue and EBITDAI include the data centre business for both H1 FY26 and H1 FY25
- Adjusted H1 FY26 EBITDAI excludes \$9m of data centre transaction costs, which will form part of the gain on sale calculation and will be reported in FY26
- Adjusted H1 FY25 EBITDAI excludes \$29m of SPK-30 transformation costs
- Adjusted operating revenue and other gains down 1% to \$1,917m reflecting improvement in mobile revenue and offset by the divestment of Digital Island, and lower other connectivity and non core revenue
- Operating expenses of \$1,446m were \$45m lower than H1 FY25, due to lower labour costs, product cost savings, and other cost out initiatives
- As a result, adjusted EBITDAI was up 5%, or \$23m, to \$471m
- Adjusted NPAT up 30% to \$73m

Capital expenditure

Investment focused on core connectivity in line with SPK-30 strategy, BAU capex down 9% YoY

- H1 FY26 capex of \$271m is \$19m higher driven mainly by increase in strategic data centre capex:
 - Lower BAU capex of \$21m as 5G rollout matures
 - Strategic capex reflects \$54m investment in land related to data centre growth strategy (consistent with guidance)
 - Following completion of the data centre sale strategic capex will be significantly reduced in future periods
- Spectrum relates to additional 20 MHz of 5G spectrum acquired from Tū Ātea, with a NPV of \$7m over 18-year rights
- Focus on disciplined capital expenditure continues into H2 FY26, on track to deliver BAU capex of \$380m-\$410m



Free cash flow

FCF growth primarily driven by EBITDAI growth and lower cash tax payments

- H1 FY26 FCF of \$107m up 84% driven by improvement in EBITDAI and lower cash tax paid
- Targeted H1 to H2 uplift in FCF will be driven by EBITDAI profile, lower capex, improved working capital, and offset by higher cash tax payments
- Change in H1 working capital adjusted for the impact of the sale of the IFP receivables book⁽¹⁾
- H1 FY26 lease payments normalised following the cash benefit from the move to 50 Albert Street in H1 FY25
- On track to FY26 FCF guidance of \$290m-\$330m²

Free cash flow calculation	H1 FY25 (\$m)	H1 FY26 (\$m)	Change (\$m)	Change (%)
Reported EBITDAI	406	448	42	10%
Add EBITDAI from discontinuing operations	13	14	1	8%
Less adjusting items and non-cash gains	6	(15)	(20)	NM
EBITDAI for free cash flow	425	447	22	5%
<i>Less</i>				
Cash paid on BAU capex	(212)	(212)	-	-
Cash paid on interest	(58)	(51)	7	(12%)
Cash paid on tax payments	(78)	(14)	64	(82%)
Cash paid on leases	(43)	(58)	(15)	35%
Total cash payments on items above	(391)	(335)	56	(14%)
Change in working capital	24	(5) ⁽¹⁾	(29)	NM
Free cash flow	58	107	49	84%
Cash paid on strategic capex	(14)	(51)	(37)	NM
Free cash flow less strategic capex	44	56	12	27%

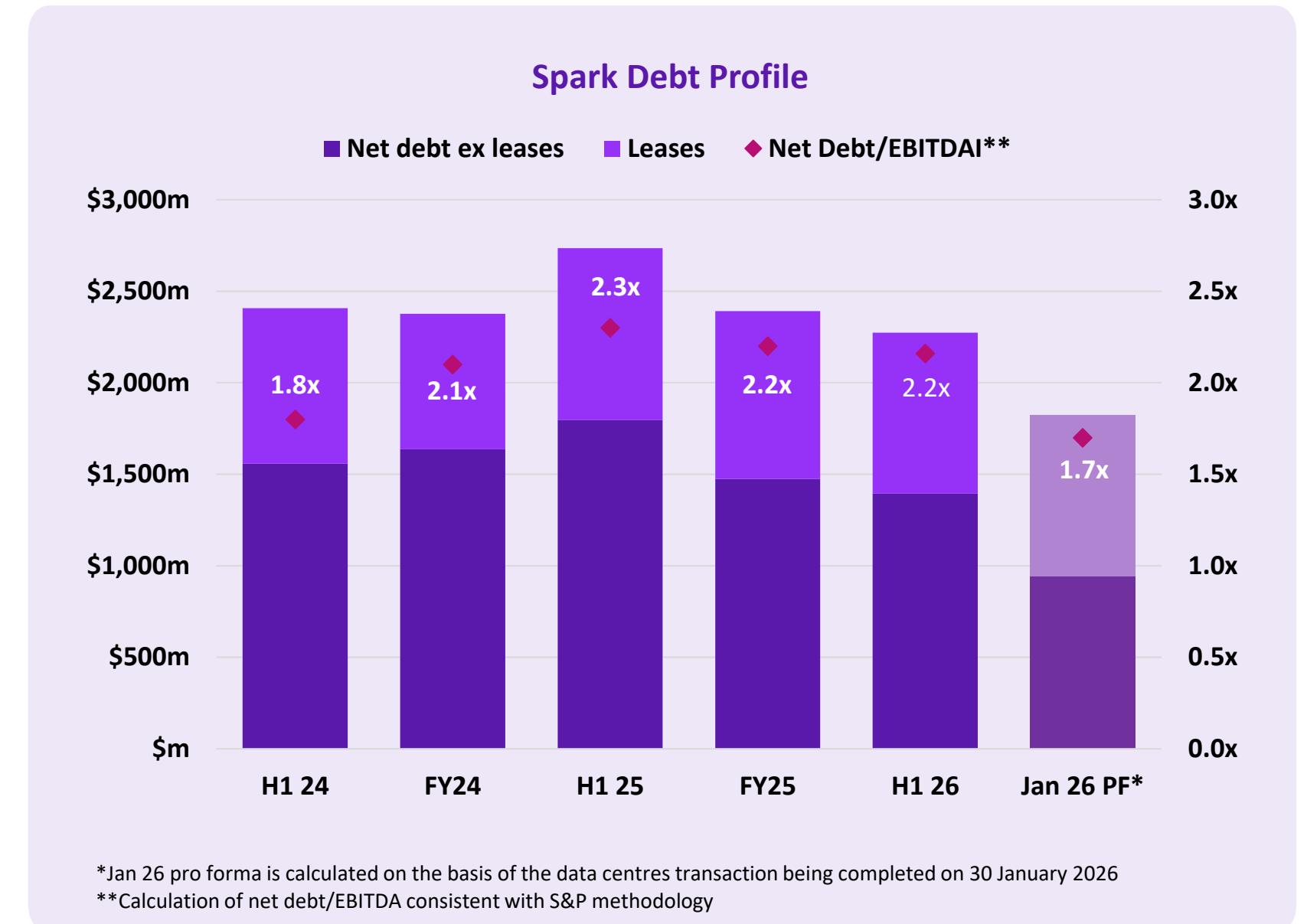
(1) Change in working capital has been adjusted by \$213m to remove the impact of the sale of the IFP receivables book during H1 FY26

(2) Subject to no material adverse change in operating outlook

Debt and dividends

Ongoing focus on disciplined capital management

- H1 FY26 net debt (ex leases) of \$1.39bn is 5% or \$81m lower than net debt at FY25, driven by sale of the IFP book and offset by the impact of capex (both BAU and strategic)
- Net debt/EBITDAI leverage ratio at 31 December 2025 remained at 2.2x (ratio not materially impacted by IFP book sale)
- The pro forma ratio of 1.7x reflects the receipt of data centre transaction proceeds on 30 January 2026
- Spark remains committed to maintaining a strong balance sheet consistent with its current credit rating
- An interim dividend of 8cps, 50% imputed has been declared based on FY26 FCF guidance of \$290m-\$330m¹



(1) Subject to no material adverse change in operating outlook

FY26 debt key metrics

Net debt	H1 FY25 (\$m)	FY25 (\$m)	H1 FY26 (\$m)
Net debt at hedged rates	\$1,796	\$1,475	\$1,393
Net debt at hedged rates including lease liabilities ¹	\$2,735	\$2,392	\$2,273
Debt ratios			
Borrowing costs (annualised)	5.6%	5.6%	5.6%
Weighted average debt maturity (years)	3.1 years	3.1 years	2.5 years
Debt servicing ²	2.3x	2.2x	2.2x
Gearing	66%	61%	63%
Interest cover	7x ³	8x	8x ³

(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 FY25 and H1 FY26 interest cover is calculated using the H1 25 and H1 26 earnings

and interest costs respectively

FY26 Guidance reaffirmed¹

	FY26 Guidance ²
Adjusted EBITDA ¹	\$1,010m - \$1,070m
BAU capex	\$380m - \$410m
Strategic capex (data centres)	~\$55m ³
Free cash flow ⁴	\$290m - \$330m
Dividend	100% of FCF

(1) Subject to no material adverse change in operating outlook

(2) FY26 Guidance reflects the completion of the data centres transaction in January 2026 with the data centres accounted for as an associate (i.e. earnings below the EBITDA line) for the remainder of FY26. Any gain on sale from the data centres transaction is excluded from the adjusted EBITDA

(3) There was \$1m of capex spent on data centres in January 2026 before completion, adding to the \$54m spent in H1 FY26

(4) Definition of free cash flow - Reported EBITDA, 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



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 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Operating revenues and other gains	1,956	1,864	1,916	1,809	1,893	1,916	1,893	(23)	(1.2%)
Operating expenses	(1,437)	(1,242)	(1,510)	(1,162)	(1,445)	(1,510)	(1,445)	65	(4.3%)
EBITDAI	519	622	406	647	448	406	448	42	10.3%
Finance income	14	16	15	16	14	15	14	(1)	(6.7%)
Finance expense	(63)	(81)	(75)	(74)	(69)	(75)	(69)	6	(8.0%)
Depreciation and amortisation	(244)	(268)	(293)	(297)	(304)	(293)	(304)	(11)	3.8%
Net investment income	(3)	(5)	-	2	(1)	-	(1)	(1)	NM
Net earnings before income tax	223	284	53	294	88	53	88	35	66.0%
Tax income / (expense)	(69)	(127)	(22)	(73)	(34)	(22)	(34)	(12)	54.5%
Net earnings from continuing operations	154	157	31	221	54	31	54	23	74.2%
Net earnings from discontinuing operations	2	3	4	4	10	4	10	6	NM
Total net earnings for the period	156	160	35	225	64	35	64	29	82.9%
Capital expenditure excluding spectrum	286	232	252	177	271	252	271	19	7.5%
Reported EBITDAI margin	26.5%	33.4%	21.2%	35.8%	23.7%	21.2%	23.7%	2.5pp	
Reported effective tax rate	30.9%	44.7%	41.5%	24.8%	38.6%	41.5%	38.6%	(2.9pp)	
Capital expenditure to operating revenues and other gains	14.6%	12.4%	13.2%	9.8%	14.3%	13.2%	14.3%	1.1pp	
Reported basic EPS ¹ (cents) from continuing operations	8.4	8.7	1.7	12.0	2.9	1.7	2.9	1.2	70.6%
Reported diluted EPS (cents) from continuing operations	8.4	8.8	1.7	12.0	2.9	1.7	2.9	1.2	70.6%
Reported basic EPS (cents) from discontinuing operations	0.1	0.2	0.2	0.3	0.5	0.2	0.5	0.3	NM
Reported diluted EPS (cents) from discontinuing operations	0.1	0.3	0.2	0.3	0.5	0.2	0.5	0.3	NM

¹Earnings per share

NM denotes 'not meaningful'

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 six months ended 31 December 2025, the incremental transaction costs incurred in relation to the sale of the data centre business in January 2026 amounted to \$9 million and were deemed significant to adjust as these costs will form part of the gain on sale calculation of the data centre business which will be finalised in the full year results to 30 June 2026. In the six months ended 31 December 2024, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to \$29 million and were deemed significant to adjust.

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Adjusted operating revenues and other gains	1,976	1,885	1,939	1,761	1,917	1,939	1,917	(22)	(1.1%)
Adjusted operating expenses	(1,446)	(1,252)	(1,491)	(1,149)	(1,446)	(1,491)	(1,446)	45	(3.0%)
Adjusted EBITDAI	530	633	448	612	471	448	471	23	5.1%
Finance income	14	16	15	16	14	15	14	(1)	(6.7%)
Finance expense	(63)	(81)	(75)	(74)	(69)	(75)	(69)	6	(8.0%)
Depreciation and amortisation	(251)	(276)	(300)	(304)	(304)	(300)	(304)	(4)	1.3%
Adjusted net investment income	(3)	(5)	-	2	(1)	-	(1)	(1)	NM
Adjusted net earnings before income tax	227	287	88	252	111	88	111	23	26.1%
Adjusted income tax expense	(70)	(102)	(32)	(81)	(38)	(32)	(38)	(6)	18.8%
Adjusted net earnings for the period	157	185	56	171	73	56	73	17	30.4%
Capital expenditure excluding spectrum	286	232	252	177	271	252	271	19	7.5%
Free cash flows excluding spectrum ¹	(100)	219	58	202	107	58	107	49	84.5%
Adjusted EBITDAI margin	26.8%	33.6%	23.1%	34.8%	24.6%	23.1%	24.6%	1.5pp	
Adjusted effective tax rate	30.8%	35.5%	36.4%	32.1%	34.2%	36.4%	34.2%	(2.2pp)	
Capital expenditure to adjusted operating revenues and other gains	14.5%	12.3%	13.0%	10.1%	14.1%	13.0%	14.1%	1.1pp	
Adjusted basic EPS ² (cents)	8.6	10.1	3.1	9.2	3.9	3.1	3.9	0.8	25.8%
Adjusted diluted EPS (cents)	8.5	10.2	3.1	9.2	3.9	3.1	3.9	0.8	25.8%

¹Prior periods have been restated to align with the new definition of working capital

²Earnings per share

Declared Dividends

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Ordinary dividends (cents per share)	13.50	14.00	12.50	12.50	8.00	12.50	8.00	(4.50)	(36.0%)
Total dividend (cents per share)	13.50	14.00	12.50	12.50	8.00	12.50	8.00	(4.50)	(36.0%)

Spark New Zealand

Group operating revenues and other gains

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Connectivity									
Mobile service revenue	510	500	491	496	499	491	499	8	1.6%
Mobile non-service revenue	239	225	248	218	255	248	255	7	2.8%
Total mobile	749	725	739	714	754	739	754	15	2.0%
Voice	94	86	78	72	65	78	65	(13)	(16.7%)
Broadband ¹	309	304	302	306	303	302	303	1	0.3%
Other connectivity ²	184	189	182	181	163	182	163	(19)	(10.4%)
Total connectivity	1,336	1,304	1,301	1,273	1,285	1,301	1,285	(16)	(1.2%)
Other									
Cloud	109	116	118	117	120	118	120	2	1.7%
Service management	68	64	61	55	49	61	49	(12)	(19.7%)
Procurement and partners	339	209	332	206	344	332	344	12	3.6%
Other products	105	109	104	102	95	104	95	(9)	(8.7%)
Total other	621	498	615	480	608	615	608	(7)	(1.1%)
Adjusted operating revenues	1,957	1,802	1,916	1,753	1,893	1,916	1,893	(23)	(1.2%)
Other gains	19	83	23	8	24	23	24	1	4.3%
Adjusted operating revenues and other gains	1,976	1,885	1,939	1,761	1,917	1,939	1,917	(22)	(1.1%)
Adjusting items - Net gain on sale/divestment of Connexa	-	-	-	71	-	-	-	-	-%
Operating revenues from discontinuing operations	(20)	(21)	(23)	(23)	(24)	(23)	(24)	(1)	4.3%
Reported operating revenues and other gains	1,956	1,864	1,916	1,809	1,893	1,916	1,893	(23)	(1.2%)

¹Wireless broadband revenues and connections are included in broadband revenues and connections.

²Other connectivity includes IoT, managed data and networks, security and collaboration.

Group operating expenses

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Product costs									
Connectivity									
Total mobile	(253)	(231)	(251)	(206)	(258)	(251)	(258)	(7)	2.8%
Voice	(43)	(38)	(36)	(32)	(30)	(36)	(30)	6	(16.7%)
Broadband	(161)	(164)	(162)	(169)	(162)	(162)	(162)	-	-%
Other connectivity ¹	(98)	(108)	(96)	(100)	(85)	(96)	(85)	11	(11.5%)
Other									
Cloud	(38)	(47)	(61)	(50)	(63)	(61)	(63)	(2)	3.3%
Service management	(9)	(21)	(18)	(15)	(13)	(18)	(13)	5	(27.8%)
Procurement and partners	(315)	(168)	(307)	(166)	(325)	(307)	(325)	(18)	5.9%
Other product costs	(27)	(28)	(34)	(29)	(23)	(34)	(23)	11	(32.4%)
Total product costs	(944)	(805)	(965)	(767)	(959)	(965)	(959)	6	(0.6%)
Labour	(279)	(233)	(271)	(172)	(216)	(271)	(216)	55	(20.3%)
Other operating expenses									
Network support costs	(40)	(33)	(52)	(27)	(57)	(52)	(57)	(5)	9.6%
Computer costs	(52)	(63)	(74)	(58)	(75)	(74)	(75)	(1)	1.4%
Accommodation costs	(29)	(29)	(29)	(26)	(27)	(29)	(27)	2	(6.9%)
Electricity - data centres ²	(2)	(2)	(3)	(4)	(4)	(3)	(4)	(1)	33.3%
Electricity - non data centres	(17)	(17)	(16)	(18)	(17)	(16)	(17)	(1)	6.3%
Advertising, promotions and communication	(33)	(21)	(31)	(27)	(42)	(31)	(42)	(11)	35.5%
Bad debts	(7)	(8)	(10)	(9)	(10)	(10)	(10)	-	-%
Other	(43)	(41)	(40)	(41)	(39)	(40)	(39)	1	(2.5%)
Adjusted operating expenses	(223)	(214)	(255)	(210)	(271)	(255)	(271)	(16)	6.3%
Transformation costs	(1,446)	(1,252)	(1,491)	(1,149)	(1,446)	(1,491)	(1,446)	45	(3.0%)
Operating expenses from discontinuing operations	-	-	(29)	(24)	-	(29)	-	29	(100.0%)
Separation costs	9	10	10	11	10	10	10	-	-%
Reported operating expenses	(1,437)	(1,242)	(1,510)	(1,162)	(1,445)	(1,510)	(1,445)	65	(4.3%)

¹Other connectivity includes IoT, managed data and networks, security and collaboration.

²Estimated electricity costs to run Spark Group's dedicated data centres.

Group FTEs

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25	
FTE permanent	5,356	5,072	4,456	3,792	3,584	4,456	3,584	(872)	(19.6%)
FTE contractors	97	70	94	55	48	94	48	(46)	(48.7%)
Total FTE	5,453	5,142	4,550	3,847	3,632	4,550	3,632	(918)	(20.2%)

Spark New Zealand

Gross margin by product

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Total mobile	496	494	488	508	496	488	496	8	1.6%
Voice	51	48	42	40	35	42	35	(7)	(16.7%)
Broadband	148	140	140	137	141	140	141	1	0.7%
Other connectivity ¹	86	81	86	81	78	86	78	(8)	(9.3%)
Cloud	71	69	57	67	57	57	57	-	-%
Service management	59	43	43	40	36	43	36	(7)	(16.3%)
Procurement and partners	24	41	25	40	19	25	19	(6)	(24.0%)
Other products	78	80	70	73	72	70	72	2	2.9%
Adjusted product gross margin	1,013	996	951	986	934	951	934	(17)	(1.8%)
Other gains	19	83	23	8	24	23	24	1	5.0%
Adjusted gross margin	1,032	1,080	974	994	958	974	958	(16)	(1.6%)
Gross margin from discontinuing operations	(20)	(20)	(23)	(22)	(24)	(23)	(24)	(1)	4.3%
Gain on sale/divestment of Connexa	-	-	-	71	-	-	-	-	-%
Reported gross margin	1,052	1,100	997	1,087	934	997	934	(63)	(6.3%)

¹Other connectivity includes IoT, Managed data and networks, security and collaboration.

Finance expense & income

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Finance expense									
Finance expense on debt	(33)	(42)	(41)	(38)	(35)	(41)	(35)	6	(14.6%)
Other interest and finance expenses	(8)	(15)	(10)	(10)	(10)	(10)	(10)	-	-%
Lease interest expense	(24)	(24)	(25)	(26)	(26)	(25)	(26)	(1)	4.0%
Leased customer equipment interest expense	(4)	(4)	(3)	(3)	(2)	(3)	(2)	1	(33.3%)
Capitalised interest	(69)	(85)	(79)	(77)	(73)	(79)	(73)	6	(7.6%)
	6	4	4	3	4	4	4	-	-%
Capitalised interest	(63)	(81)	(75)	(74)	(69)	(75)	(69)	6	(8.0%)
Finance income									
Finance lease interest income	4	4	4	4	4	4	4	-	-%
Other interest income	10	12	11	12	10	11	10	(1)	(9.1%)
	14	16	15	16	14	15	14	(1)	(6.7%)

Depreciation and amortisation expense

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Depreciation and amortisation expense									
Depreciation - property, plant and equipment	(112)	(123)	(147)	(138)	(139)	(147)	(139)	8	(5.4%)
Depreciation - right-of-use assets	(42)	(47)	(50)	(55)	(53)	(50)	(53)	(3)	6.0%
Depreciation - leased customer equipment assets	(17)	(16)	(13)	(14)	(13)	(13)	(13)	-	-%
Amortisation - intangible assets	(80)	(90)	(90)	(97)	(99)	(90)	(99)	(9)	10.0%
Adjusted depreciation and amortisation expense	(251)	(276)	(300)	(304)	(304)	(300)	(304)	(4)	1.3%
Depreciation and amortisation expense from discontinuing operations	7	8	7	7	-	7	-	(7)	(100.0%)
Reported depreciation and amortisation expense	(244)	(268)	(293)	(297)	(304)	(293)	(304)	(11)	3.8%

Net investment income

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Net investment income									
Share of associates' and joint ventures' net losses	(8)	(9)	(6)	-	(1)	(6)	(1)	5	(83.3%)
Interest income on loans receivable from associates and joint ventures	6	6	6	2	-	6	-	(6)	(100.0%)
Impairment of investments	-	(2)	-	-	-	-	-	-	NM
Net disposal and remeasurement of equity accounted investments	(1)	-	-	-	-	-	-	-	NM
Adjusted net investment income	(3)	(5)	-	2	(1)	-	(1)	(1)	NM
Net gain on dilution of the investment in the Connexa group	-	-	-	-	-	-	-	-	NM
Reported net investment income	(3)	(5)	-	2	(1)	-	(1)	(1)	NM

Spark New Zealand

Core Connectivity

Analysis & KPIs - Mobile

Consumer & SME	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
Pay monthly								
Connections (k) ¹								
Connections (k)	1,188	1,199	1,207	1,205	1,203	1,207	1,203	(4) (0.3%)
ARPU (\$)	45.51	44.34	44.03	44.90	46.23	44.03	46.23	2.20 5.0%
Prepaid								
Connections (k)	1,210	1,173	1,106	1,112	1,077	1,106	1,077	(29) (2.6%)
ARPU (\$)	16.09	15.88	16.21	16.00	15.98	16.21	15.98	(0.23) (1.4%)
Total Consumer & SME mobile service revenue (\$m)	438	431	428	433	437	428	437	9 2.1%
Enterprise & Government								
Pay monthly								
Connections (k) ¹	337	318	312	312	308	312	308	(4) (1.3%)
ARPU (\$)	30.48	29.50	27.18	26.54	25.05	27.18	25.05	(2.13) (7.8%)
Total Enterprise & Government mobile service revenue (\$m)	62	58	51	49	47	51	47	(4) (7.8%)
Wholesale & other²								
Mobile service revenue (\$m)	10	11	12	14	15	12	15	3 25.0%
Total mobile service revenue	510	500	491	496	499	491	499	8 1.6%
Total mobile								
Mobile service revenue	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 %
510	500	491	496	499	491	499	8	1.6%
Mobile non-service revenue ³	239	225	248	218	255	248	255	7 2.8%
Total mobile revenue	749	725	739	714	754	739	754	15 2.0%
Mobile product costs ⁴	(253)	(231)	(251)	(206)	(258)	(251)	(258)	(7) 2.8%
Mobile gross margin	496	494	488	508	496	488	496	8 1.6%
Mobile gross margin %	66.2%	68.1%	66.0%	71.1%	65.8%	66.0%	65.8%	(0.2pp)
Pay monthly connections								
Pay monthly connections	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H2 FY25 000's	H1 FY26 000's	H1 FY25 000's	H1 FY26 000's	H1 FY26 vs H1 FY25 %
1,525	1,517	1,519	1,517	1,511	1,519	1,511	(8)	(0.5%)
Prepaid connections	1,210	1,173	1,106	1,112	1,077	1,106	1,077	(29) (2.6%)
Internal connections	4	4	4	3	3	4	3	(1) (25.0%)
Total mobile connections ⁵	2,739	2,694	2,629	2,632	2,591	2,629	2,591	(38) (1.4%)
Total ARPU (\$)	30.66	30.03	30.17	30.41	31.08	30.17	31.08	0.91 3.0%

¹The divestment of Digital Island resulted in connection transfers from Enterprise & Government to Consumer & SME, which is reflected in these connection numbers.

²Includes MVNO revenue, but excludes other customer segment mobile revenue which is now captured in non-service revenue.

³Mobile non-service revenue includes handset sales and mobile interconnect.

⁴Includes handset, interconnect and cellphone tower access costs.

⁵Mobile connections excluding MVNO connections but including legacy machine to machine, SIM based SmartWatch connections and internal connections.

Spark New Zealand

Other connectivity

Analysis & KPIs - Voice

Voice connections by type	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	000's	%						
POTS and ISDN	69	59	49	39	27	49	27	(22) (44.9%)
VoIP	53	51	48	49	46	48	46	(2) (4.2%)
Voice over wireless	8	6	6	5	5	6	5	(1) (16.7%)
Total voice connections	130	116	103	93	78	103	78	(25) (24.3%)
	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	\$m	%						
Total voice revenue	94	86	78	72	65	78	65	(13) (16.7%)
Voice product costs ¹	(43)	(38)	(36)	(32)	(30)	(36)	(30)	6 (16.7%)
Voice gross margin	51	48	42	40	35	42	35	(7) (16.7%)
Voice gross margin %	54.3%	55.8%	53.8%	55.6%	53.8%	53.8%	53.8%	-%

¹Includes voice access (baseband), interconnect, and international calling costs.

Analysis & KPIs - Broadband

Broadband connections by technology	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	000's	%						
Copper	54	43	36	26	20	36	20	(16) (44.4%)
Fibre	427	428	424	422	417	424	417	(7) (1.7%)
Wireless	214	216	218	213	212	218	212	(6) (2.8%)
Total broadband connections	695	687	678	661	649	678	649	(29) (4.3%)
	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	\$m	%						
Total broadband revenue	309	304	302	306	303	302	303	1 0.3%
Broadband product costs ²	(161)	(164)	(162)	(169)	(162)	(162)	(162)	- -%
Broadband gross margin	148	140	140	137	141	140	141	1 0.7%
Broadband gross margin %	47.9%	46.1%	46.4%	44.8%	46.5%	46.4%	46.5%	0.1pp

²Includes broadband access (UBA/UCLL/Fibre) and modem costs.

Analysis & KPIs - Other connectivity³

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	\$m	%						
Other connectivity revenue	184	189	182	181	163	182	163	(19) (10.4%)
Other connectivity product costs	(98)	(108)	(96)	(100)	(85)	(96)	(85)	11 (11.5%)
Other connectivity gross margin	86	81	86	81	78	86	78	(8) (9.3%)
Other connectivity gross margin %	46.7%	42.9%	47.3%	44.8%	47.9%	47.3%	47.9%	0.6pp
	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25
	000's	%						
Total IoT connections	1,799	2,048	2,250	2,376	2,429	2,250	2,429	179 8.0%

³Other connectivity includes IoT, managed data and networks, security and collaboration.

Spark New Zealand

Other

Analysis & KPIs - Data centres¹

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Data centre revenue	22	23	25	25	26	25	26	1	4.0%
Data centre product cost	(1)	(1)	(2)	(1)	(1)	(2)	(1)	1	(50.0%)
Data centre gross margin	21	22	23	24	25	23	25	2	8.7%
Data centre gross margin%	95.5%	95.7%	92.0%	96.0%	96.2%	92.0%	96.2%	4.2pp	
Data centre KPIs	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25	
Data centre capacity built (in MW)	22	22	22	23	23	22	23	1	4.5%
Data centre capacity under construction (in MW)	1	1	1	-	-	1	-	(1)	(100.0%)
Data centre development pipeline (in MW)	70	70	118	130	130	118	130	12	10.2%
Total capacity (in MW)	93	93	141	153	153	141	153	12	8.5%
Weighted average lease term with options (WALE) ²	16.4	15.9	15.4	14.9	14.4	15.4	14.4	(1.0)	(6.7%)
Contracted utilisation dedicated data centres ³	88%	88%	88%	87%	87%	88%	87%	(1.0pp)	NM
Target power usage effectiveness (PUE)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	-	-%
PUE - Legacy data centre assets	1.57	1.57	1.60	1.60	1.61	1.60	1.61	0.01	0.6%

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

²Based 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.

³Includes contracted and reserved racks at dedicated data centres and exchanges.

Analysis & KPIs - Cloud

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Cloud revenue	109	116	118	117	120	118	120	2	1.7%
Cloud product costs	(38)	(47)	(61)	(50)	(63)	(61)	(63)	(2)	3.3%
Cloud gross margin	71	69	57	67	57	57	57	-	-
Cloud gross margin%	65.1%	59.5%	48.3%	57.3%	47.5%	48.3%	47.5%	(0.8pp)	

Analysis & KPIs - Service management

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Service management revenue	68	64	61	55	49	61	49	(12)	(19.7%)
Service management product costs	(9)	(21)	(18)	(15)	(13)	(18)	(13)	5	(27.8%)
Service management gross margin	59	43	43	40	36	43	36	(7)	(16.3%)
Service management gross margin %	86.8%	67.2%	70.5%	72.7%	73.5%	70.5%	73.5%	3.0pp	

Analysis & KPIs - Procurement and partners

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Procurement and partners revenue	339	209	332	206	344	332	344	12	3.6%
Procurement and partners product costs	(315)	(168)	(307)	(166)	(325)	(307)	(325)	(18)	5.9%
Procurement and partners gross margin	24	41	25	40	19	25	19	(6)	(24.0%)
Procurement and partners gross margin %	7.1%	19.6%	7.5%	19.4%	5.5%	7.5%	5.5%	(2.0pp)	

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Statement of cash flows

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Cash flows from operating activities									
Receipts from customers ¹	1,972	1,739	1,977	1,717	2,177	1,977	2,177	200	10.1%
Receipts from interest	13	15	15	14	13	15	13	(2)	(13.3%)
Payments to suppliers and employees	(1,519)	(1,134)	(1,566)	(1,145)	(1,509)	(1,566)	(1,509)	57	(3.6%)
Payments for income tax	(101)	(88)	(78)	(108)	(14)	(78)	(14)	64	(82.1%)
Payments for interest on debt	(31)	(49)	(46)	(44)	(37)	(46)	(37)	9	(19.6%)
Payments for interest on leases	(23)	(23)	(24)	(26)	(25)	(24)	(25)	(1)	4.2%
Payments for interest on leased customer equipment assets	(4)	(3)	(3)	(3)	(2)	(3)	(2)	1	(33.3%)
Net cash flows from operating activities	307	457	275	405	603	275	603	328	NM
Cash flows from investing activities									
Proceeds from sale of property, plant and equipment	14	20	2	-	-	2	-	(2)	(100.0%)
Proceeds from sale of business	-	4	-	8	-	-	-	-	NM
Proceeds from long-term investments	-	7	-	326	48	-	48	48	100.0%
Receipts from finance leases	1	-	-	-	-	-	-	-	NM
Receipts from loans receivable	10	-	3	-	-	3	-	(3)	(100.0%)
Payments for purchase of business, net of cash acquired	(2)	(3)	(2)	-	-	(2)	-	2	(100.0%)
Payments for, or advances to, long-term investments	(1)	-	-	-	-	-	-	-	NM
Payments for assets classified as held for sale ²	-	-	-	-	(51)	-	(51)	(51)	(100.0%)
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(347)	(235)	(228)	(204)	(208)	(228)	(208)	20	(8.8%)
Payments for spectrum intangible assets	-	(8)	-	(10)	(1)	-	(1)	(1)	NM
Payments for capitalised interest	(6)	(4)	(4)	(3)	(4)	(4)	(4)	-	-%
Net cash flows from investing activities	(331)	(219)	(229)	117	(216)	(229)	(216)	13	(5.7%)
Cash flows from financing activities									
Net proceeds from/(repayments of) debt	489	21	190	(387)	(42)	190	(42)	(232)	NM
Payments for dividends	(249)	(245)	(160)	(142)	(236)	(160)	(236)	(76)	47.5%
Payments for share buy-back	(159)	-	-	-	-	-	-	-	NM
Payments for leases	(38)	(40)	(44)	(48)	(44)	(44)	(44)	-	-%
Receipts from lease incentive	-	-	22	-	-	22	-	(22)	(100.0%)
Payments for leased customer equipment assets	(20)	(14)	(11)	(13)	(14)	(11)	(14)	(3)	27.3%
Net cash flows from financing activities	23	(278)	(3)	(590)	(336)	(3)	(336)	(333)	NM
Net cash flows	(1)	(40)	43	(68)	51	43	51	8	18.6%
Opening cash position	100	99	59	102	34	59	34	(25)	(42.4%)
Closing cash position ¹	99	59	102	34	85	102	85	(17)	(16.7%)

¹H1 FY26 balances include \$4 million cash collected on behalf of Challenger Limited (Challenger) and \$239 million relating to proceeds from the sale of IFP receivables. See note 2.2 of the Interim Financial Statements for further details.

²H1 FY26 payments were for capital expenditure on data centre assets held for sale, see note 2.1 for further details.

Analysis & KPIs - Free cash flows and movement in working capital

	H1 FY24 \$m	H2 FY24 \$m	H1 FY25 \$m	H2 FY25 \$m	H1 FY26 \$m	H1 FY25 \$m	H1 FY26 \$m	H1 FY26 vs H1 FY25 \$m	%
Reported EBITDAI	519	622	406	647	448	406	448	42	10.3%
EBITDAI from discontinuing operations	11	11	13	12	14	13	14	1	7.7%
Adjusting items and non cash other gains	(20)	(58)	6	(54)	(15)	6	(15)	(21)	NM
EBITDAI for free cash flow	510	575	425	605	447	425	447	22	5.2%
<i>Less</i>									
Cash paid on BAU capital expenditure	(334)	(207)	(212)	(162)	(212)	(212)	(212)	-	-%
Cash paid on interest	(45)	(60)	(58)	(59)	(51)	(58)	(51)	7	(12.1%)
Cash paid on tax payments	(101)	(88)	(78)	(108)	(14)	(78)	(14)	64	(82.1%)
Cash paid on leases	(57)	(54)	(43)	(61)	(58)	(43)	(58)	(15)	34.9%
Total cash payments on items above	(537)	(409)	(391)	(390)	(335)	(391)	(335)	56	(14.3%)
Change in working capital									
Change in receivables	27	(78)	80	(57)	254	80	254	174	NM
Change in payables	(20)	65	41	(50)	75	41	75	34	82.9%
Change in inventory	(27)	18	(25)	32	(42)	(25)	(42)	(17)	68.0%
Change in contract assets	(8)	12	(6)	4	(1)	(6)	(1)	5	(83.3%)
Change in prepayments (excluding CAPEX)	(45)	36	(66)	58	(78)	(66)	(78)	(12)	18.2%
IFP Adjustment	-	-	-	-	(213)	-	(213)	(213)	(100.0%)
Total change in working capital - (increase)/decrease	(73)	53	24	(13)	(5)	24	(5)	(29)	NM
Free cash flow	(100)	219	58	202	107	58	107	49	84.5%
Cash paid on strategic capital expenditure	(19)	(22)	(14)	(32)	(51)	(14)	(51)	(37)	NM
Free cash flow less strategic capex	(119)	197	44	170	56	44	56	12	27.3%

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Group capital expenditure (Capex)

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H1 FY25	H1 FY26	H1 FY26 vs H1 FY25	
	\$m	%							
BAU Capex									
Cloud	24	13	9	2	5	9	5	(4)	(44.4%)
Fixed network & International cable capacity	55	10	37	26	46	37	46	9	24.3%
IT systems	80	67	73	75	81	73	81	8	11.0%
Mobile network	65	24	91	29	81	91	81	(10)	(11.0%)
Property	7	4	4	3	2	4	2	(2)	(50.0%)
Other	4	6	1	-	2	1	2	1	100.0%
5G Acceleration & SA Readiness	32	74	23	28	-	23	-	(23)	(100.0%)
Converged tech	-	12	-	-	-	-	-	-	-%
Total BAU capex excluding spectrum	267	210	238	163	217	238	217	(21)	(8.8%)
Strategic Capex									
Data centres	19	22	14	14	54	14	54	40	NM
Total capex excluding spectrum	286	232	252	177	271	252	271	19	7.5%
Mobile spectrum	23	-	-	-	7	-	7	7	-%
Total capex including spectrum	309	232	252	177	278	252	278	26	10.3%
Cash Capex									
BAU	(334)	(207)	(212)	(162)	(212)	(212)	(212)	-	-%
Strategic	(19)	(22)	(14)	(32)	(51)	(14)	(51)	(37)	NM
Total cash capex excluding spectrum	(353)	(229)	(226)	(194)	(263)	(226)	(263)	(37)	16.4%

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.

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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 six months ended 31 December 2025, the incremental transaction costs incurred in relation to the sale of the data centre business in January 2026 amounted to \$9 million and were deemed significant to adjust as these costs will form part of the gain on sale calculation of the data centre business which will be finalised in the full year results to 30 June 2026. In the six months ended 31 December 2024, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to \$29 million and were deemed significant to adjust.

	Reported (continuing operations)	Discontinuing operations ¹	Adjusting items ²	Total adjusted
H1 FY26				
Operating revenues and other gains	1,893	24	-	1,917
Operating expenses	(1,445)	(10)	9	(1,446)
Total EBITDAI	448	14	9	471
Net finance income	(55)	-	-	(55)
Depreciation and amortisation	(304)	-	-	(304)
Net investment income	(1)	-	-	(1)
Total net earnings before tax	88	14	9	111
Net tax expense	(34)	(4)	-	(38)
Net earnings	54	10	9	73
H1 FY25				
Operating revenues and other gains	1,916	23	-	1,939
Operating expenses	(1,510)	(10)	29	(1,491)
Total EBITDAI	406	13	29	448
Net finance income	(60)	-	-	(60)
Depreciation and amortisation	(293)	(7)	-	(300)
Net investment income	-	-	-	-
Total net earnings before tax	53	6	29	88
Net tax expense	(22)	(2)	(8)	(32)
Net earnings	31	4	21	56

¹The data centre business was classified as a discontinuing operation in FY25, see note 2.1 of the Interim Financial Statements for further details.

²H1 FY26 balances include additional the transaction costs of \$9 million (\$2 million in labour and \$7 million in other operating costs) incurred in relation to the sale of the data centre business in January 2026.

³H1 FY25 balances include additional transformation costs of \$29 million (\$2 million in labour and \$27 million in other operating costs which were mostly severances) associated with Spark's SPK-26 Operate Programme.