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MARKET RELEASE – Thursday, 20 August 2026

Spark New Zealand Limited 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 FY26 results:

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

Spark New Zealand's Chief Executive, Jolie Hodson, and Chief Financial Officer, Stewart Taylor, will discuss the 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=GsccJoMQ

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/10055664-1pdesd.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

Authorised by:
Rodney Deacon
Finance Lead Partner – Investor Relations & Commercial

For more information contact

For media queries please contact:
Althea Lovell
Corporate Relations Lead Partner
+64 21 222 2992
althea.lovell@spark.co.nz

For investor queries please contact:
Rodney Deacon
Finance Lead Partner – Investor Relations & Commercial
+64 21 631 074
Rodney.Deacon@spark.co.nz

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MARKET RELEASE – Thursday, 20 August 2026

Mobile service revenue returns to growth as Spark advances SPK-30 strategy

- Delivered FY26 results within guidance:
  - Reported revenue[1] of $3,949 million increased 6.0%; adjusted revenue of $3,700 million unchanged
  - Reported EBITDAI[2] of $1,295 million increased 23.0%; adjusted EBITDAI of $1,035 million declined 2.4%
  - Reported NPAT[3] of $499 million increased 91.9%; adjusted NPAT of $225 million declined 0.9%
  - BAU capital expenditure was $401 million, flat on FY25
  - Free cash flow (FCF) increased 18.5% to $308 million
- First year of SPK-30 strategy execution delivered mobile revenue up 4.4%, mobile service revenue back in growth at +1.1%, and $40 million in productivity benefits
- Completion of data centre transaction returning net debt to targeted levels
- Board declared a final dividend of 8 cents per share, taking the total FY26 dividend to 16 cents per share[4], representing 100% of FCF

Spark New Zealand (Spark) today announced its FY26 results, with the first year of its SPK-30 strategy delivering a return to mobile service revenue growth, strong free cash flow growth, ongoing cost reduction, and a strengthened balance sheet following completion of the data centre transaction.

Spark Chair Justine Smyth said “Our SPK-30 strategy reflects clear choices about where Spark can build sustainable competitive advantage and deliver improved shareholder returns over time. We are encouraged by the progress made during this first year of execution, and by the momentum in areas where we have concentrated effort and investment, particularly mobile.

“With an 18.5% increase in free cash flow to $308 million, the total FY26 dividend is 16 cents per share[4], representing a 100% payout ratio, in line with guidance.

“The Board remains focused on ensuring Spark’s portfolio supports the strategic choices we have made and strengthens long-term performance. During the year we completed the sale of a 75% stake in our data centre business, generating $462 million in net proceeds and returning debt to targeted levels. Our retained 25% interest enables Spark to continue participating in the significant long-term growth opportunity in the sector.

"In July we announced a strategic review into the areas identified as outside core operations, including cloud and IT services, which now form part of the Digital Services division. This review will assess how to maximise the value and returns generated by this division for shareholders and is expected to be completed during the first half of FY27.”

FY26 performance

Spark’s FY26 financial results include reported and adjusted figures (see note to editors). Reported revenue of $3,949 million increased 6.0%, while adjusted revenue of $3,700 million remained unchanged from FY25.

Mobile revenues increased 4.4% to $1,517 million, with mobile service revenue growing 1.1% to $998 million – supported by strong ARPU[5] growth in the consumer and SME[6] segment, as innovation in product and customer experience delivered more value and choice for customers. Spark saw ongoing

connection and ARPU stabilisation in price-driven categories of the market, including its domestic prepaid base and enterprise and government.

Broadband revenue declined 2.0% to $596 million in a highly competitive, price-driven market, while gross margin grew through product cost management. Business connectivity revenue declined 9.9% to $327 million due to the divestment of Digital Island, the transition from legacy managed data and network products to modern solutions, and the timing of IoT hardware sales, partially offset by continued IoT connection growth.

In Digital Services, cloud revenue remained broadly flat at $233 million, as 20% growth in public cloud was offset by the continued transition away from higher-margin private cloud. IT Services revenue decreased 10.3% to $104 million, reflecting lower project activity in the subdued economic environment and the ongoing migration of legacy services.

Reported EBITDAI of $1,295 million increased 23.0%, primarily due to the gain on sale of the data centre transaction. Adjusted EBITDAI of $1,035 million declined 2.4%, primarily reflecting declines in digital services, the continued decline in legacy voice – which now represents only 3.2% of overall revenue – and five fewer months of data centre earnings following the sale partway through the year.

Mobile growth and $40 million in productivity benefits partially offset these impacts. Continued mobile momentum, further cost reduction, diminishing legacy products, and ongoing portfolio management are expected to support EBITDAI growth in future years.

Reported NPAT of $499 million increased 91.9%, while adjusted NPAT of $225 million was down 0.9% on FY25. Free cash flow increased 18.5% to $308 million, supported by strong financial management.

Spark CEO Jolie Hodson said the result reflected strong execution in the areas that matter most to customers.

"Our focus this year was on turning the SPK-30 strategy into better outcomes for our customers and measurable performance improvements for our shareholders.

“Mobile service revenue returned to growth as we continued to build in more value for our customers. We delivered New Zealand’s first Kids Plan, introduced better roaming experiences, and launched satellite-to-mobile capability. We completed the nationwide shutdown of our 3G network on time and to plan, freeing up spectrum to support the ongoing expansion of 5G.

“Returning to EBITDAI growth remains a focus, and we are clear on what will deliver it – building on the healthy mobile growth we saw this year, embedding structural productivity improvements across our business, reducing our exposure to declining legacy products, and further simplifying our portfolio.

"Our strategic focus on better network and customer experiences is delivering tangible results, with Spark retaining leadership in 4G and 5G mobile coverage experience in New Zealand[7] and improving customer experience for the sixth year in a row.

“We are scaling our use of AI to make it easier for customers to get the help they need, and embedding new technology partnerships to improve efficiency and access global innovation. Our people are pivotal to our success, and we were pleased to grow employee engagement 11 points during the year. We have started FY27 with growing momentum in our core business and a clear path to deliver better outcomes for customers and sustainable value for shareholders.”

FY27 guidance

Spark provided the following guidance for FY27, subject to no material adverse change in operating outlook:

- Adjusted EBITDAI: $1,010-$1,080 million
- Free cash flow: $300-$350 million
- BAU capital expenditure[8]: $350-$380 million

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- Dividend payout ratio: Dividend guidance based on a payout ratio of 90-100% of FCF, supported by a target[9] FY27 dividend range of 16-18 cents per share

Notes to Editors:

Spark's FY26 financial results include reported and adjusted figures, as follows:

Reported
Reported results include continuing operations and removes the results of the data centre business, which is classified as a discontinued operation. This means data centre net earnings are disclosed separately in the financial statements.

Adjusted
Adjusted results include the earnings of the data centre business up until the point of sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

Footnotes

[1] Operating revenues and other gains

[2] 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

[3] Net profit after tax

[4] 50% imputed

[5] Average revenue per user

[6] Small and medium enterprises.

[7] Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

[8] BAU capital expenditure excludes strategic capital expenditure. In FY26, strategic capital expenditure included investment associated with the data centre business ahead of completion of the transaction, which supported the higher sale price achieved through the transaction.

[9] The target FY27 dividend range of 16-18 cents per share is intended to provide investors with a clearer expected dividend outcome than a payout ratio alone, while maintaining the discipline of linking dividends to free cash flow generation. Final dividend decisions remain subject to Board approval.

#Ends

Authorised by:
Rodney Deacon
Finance Lead Partner – Investor Relations & Commercial

For more information contact

For media queries please contact:
Althea Lovell
Corporate Affairs Lead Partner
+64 21 222 2992
althea.lovell@spark.co.nz

For investor queries please contact:
Rodney Deacon
Finance Lead Partner – Investor Relations & Commercial
+64 21 631 074
rodney.deacon@spark.co.nz

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Results announcement

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

Results for announcement to the market		
Name of issuer	Spark New Zealand Limited	
Reporting Period	12 months to 30 June 2026	
Previous Reporting Period	12 months to 30 June 2025	
Currency	NZD - New Zealand Dollar	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	NZD$3,949,000	6%
Total Revenue	NZD$3,978,000[1]	5.5%
Net profit/(loss) from continuing operations	NZD$486,000	92.9%
Total net profit/(loss)	NZD$499,000	91.9%
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	11 September 2026	
Dividend Payment Date	02 October 2026	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security (in dollars and cents per security)	As at 30 June 2026: NZD$0.46	As at 30 June 2025: NZD$0.38
A brief explanation of any of the figures above necessary to enable the figures to be understood	In FY26 and FY25, the data centre business is classified as a discontinued operation, and its results are included in the total revenue and total net profit/(loss). Changes in Spark's total earnings from continuing and discontinued operations before finance income and expense, income tax, depreciation, amortisation and net investment income (adjusted total EBITDAI) are provided in the addendum.	
Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon Finance Lead Partner – Investor Relations & Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	20 August 2026	

Audited financial statements accompany this announcement.

Addendum:

	Amount (000s)	Percentage change
Adjusted total EBITDAI (adjusted total earnings from continuing and discontinued operations before finance income and expense, income tax, depreciation, amortisation and net investment income) [2]	NZD$1,035,000	(2.4%)

[1] Total Revenue includes revenue from continuing and discontinued operations.
[2] Adjustments in the FY26 adjusted earnings from continuing and discontinued operations before finance income and expense, income tax, depreciation, amortisation and net investment income (adjusted total EBITDAI) reflected the impact of the net gain on sale of data centre business of $278 million.
Adjustments in the FY25 adjusted total EBITDAI reflected the impact of the net gain on sale of the remaining Connexa investment of $71 million and the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million.
Adjusted total EBITDAI is a non-GAAP measure which is defined and reconciled in note 2.5 of Spark's financial statements.

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Distribution Notice

Section 1: Issuer information				
Name of issuer	Spark New Zealand Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	SPK			
ISIN (If unknown, check on NZX website)	NZ TELE0001S4			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	Quarterly	
	Half Year		Special	
	DRP applies	Yes		
Record date	11 September 2026 AUST, NZ & USA;			
Ex-Date (one business day before the Record Date)	10 September 2026 AUST & NZ; 11 September 2026 USA			
Payment date (and allotment date for DRP)	02 October 2026 AUST & NZ; 12 October 2026 USA			
Total monies associated with the distribution[1]	NZD$151,210,409 (1,890,130,108 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[2]	NZD$0.09555556			
Gross taxable amount [3]	NZD$0.09555556			
Total cash distribution[4]	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[5]				
Is the distribution imputed	~~Fully imputed~~			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form
[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).
[3] "Gross taxable amount" is the gross distribution minus any excluded income.
[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.
[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

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	Partial imputation	
	~~No imputation~~	
If fully or partially imputed, please state imputation rate as % applied[6]	16%	
Imputation tax credits per financial product	NZD$0.01555556	
Resident Withholding Tax per financial product	NZD$0.01597778	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	0%	
Start date and end date for determining market price for DRP	Start date: 10 September 2026	End date: 16 September 2026
Date strike price to be announced (if not available at this time)	17 September 2026	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New Issue	
DRP strike price per financial product		
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	14 September 2026	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Stewart Taylor, Chief Financial Officer	
Contact person for this announcement	Rodney Deacon, Finance Lead Partner - Investor Relations and Commercial	
Contact phone number	+64 21 631 074	
Contact email address	investor-info@spark.co.nz	
Date of release through MAP	20 August 2026	

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



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Spark Annual Report FY26

Tahutahuna te Kora

Papā te whatitiri,
hikohiko te uira
Ko te pae anamata,
whakamaua, kia ngita
Kei reira te kora e
pūrātoke ana
Kua kitea te kora
e pūrātoke ana
Mā wai rā te kora e tutungi,
e poipoi?
Mā tātou te kora e tutungi,
e poipoi
Tahutahuna te kora, (hī!)
te kora whitawhita, (hī!)
te kora tangata ēi!

The thunder peals,
the lightning flashes
Fix your attention
to the future horizon and secure it
There, is a small gleaming fragment
We have found the small
gleaming fragment
Who will light and nurture
this spark?
It is us who will light and nurture
the spark!
Set fire to the spark, yes!
The zealous spark, yes!
The spark of humanity!

A karakia is a traditional opening used in Aotearoa to focus attention on the work ahead. In this context, it marks the beginning of this report. This karakia was developed specifically for Spark and reflects our role in shaping Aotearoa's future.

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About this report

- This report covers the activities of Spark New Zealand Limited and its subsidiaries for the period 1 July 2025 to 30 June 2026.
- This is an integrated report that covers our financial performance alongside the economic, social, and environmental factors that underpin our short, medium, and long-term value creation for our shareholders and other stakeholders.
- To inform our approach we have applied the Integrated Reporting <IR> Framework and the Global Reporting Initiative (GRI) standards, two widely adopted global reporting standards. See pages 63 – 66 for more information on our approach to sustainability reporting.
- This Annual Report is published alongside a suite of other disclosures, including our Corporate Governance Statement, Climate-related Disclosures Report, our Modern Slavery and Human Rights Statement, and our Environmental, Social and Governance (ESG) Data Pack.
- For the full suite of FY26 disclosures please visit **spark.co.nz/governance**.
- This report is dated 20 August 2026 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair; and Lindsay Wright, Chair Audit and Risk Management Committee.



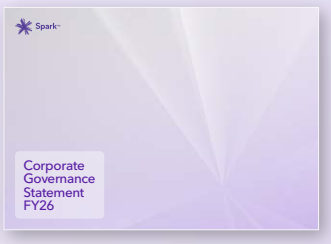
Justine Smyth CNZM
Chair



Lindsay Wright
Chair Audit and Risk Management Committee

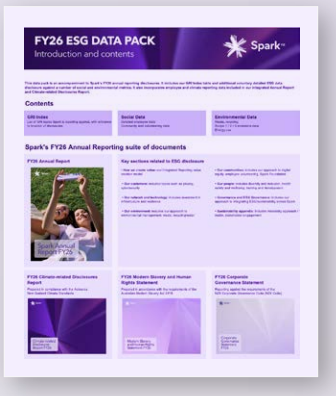
FY26 reporting suite











About Spark

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

#1

Market share in mobile and broadband[1,2]

#1

For widest mobile network coverage experience (4G and 5G)[3]



1. IDC New Zealand mobile service revenue market share report as at 30 June 2026.
2. 2025 Telecommunications Monitoring Report, National retail broadband market share.
3. Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report.
4. Total headcount as of 30 June 2026. Spark FTE (full time employee) number is 3,317 as of 30 June 2026.
5. Spark's network connects 99% of the population across New Zealand, in areas where people work and live. Population coverage is calculated by measuring the percentage of address points that fall within the predicted coverage area generated by Spark's propagation model.
6. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2026.

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2.6m
mobile connections

3,416
employees[4]

99%
of New Zealanders reached by our 4G network[5]

629k
broadband connections

58
retail stores

60%+
of the population reached by our 5G network[5]

110k+
small-medium business customers

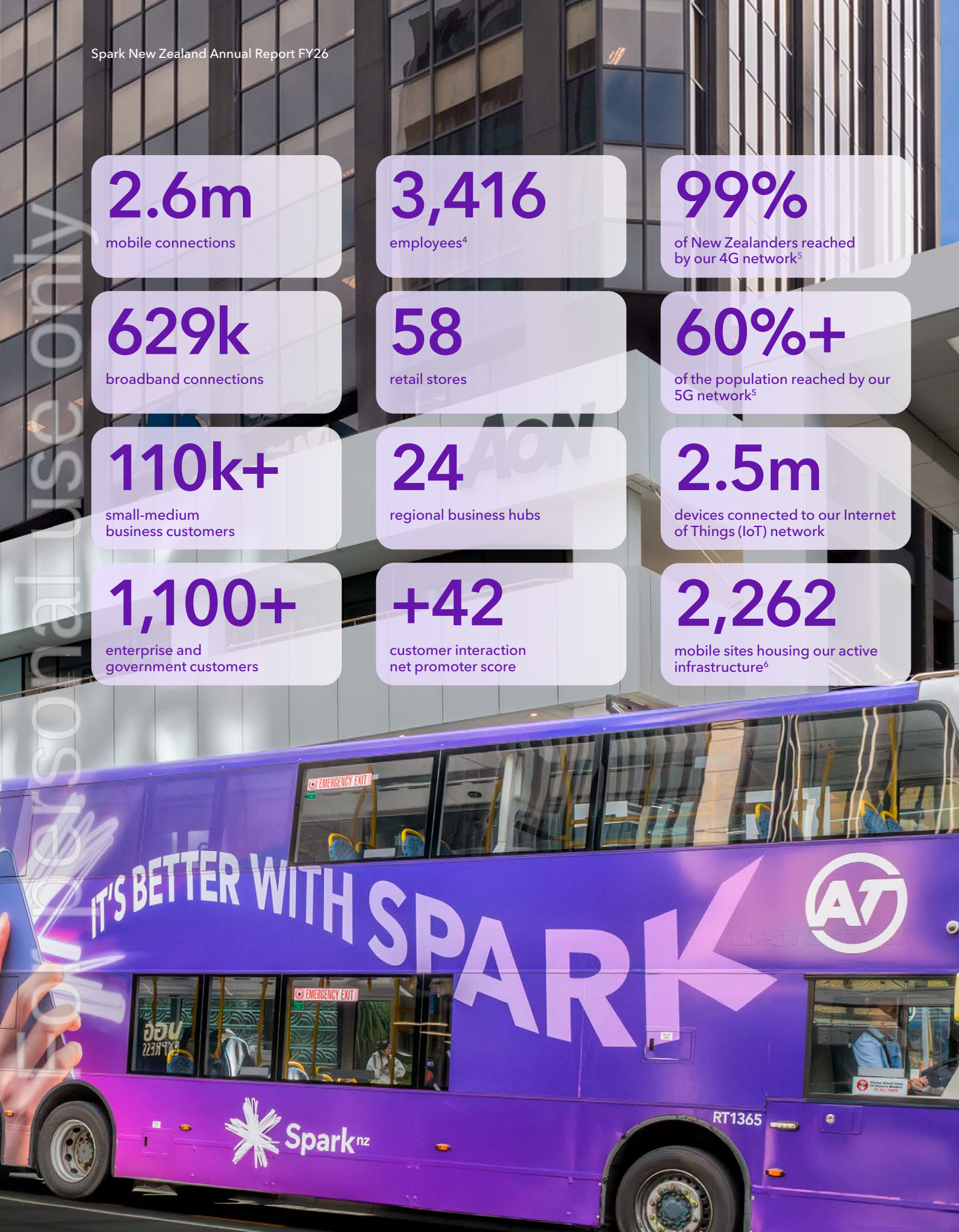
24
regional business hubs

2.5m
devices connected to our Internet of Things (IoT) network

1,100+
enterprise and government customers

+42
customer interaction net promoter score

2,262
mobile sites housing our active infrastructure[6]



Creating value for our shareholders

During FY26 we released SPK-30, our new five-year strategy, which focuses Spark on our biggest strength – connecting New Zealanders when and where it matters.

The strategy includes four key focus areas – growing core connectivity, simplifying and optimising beyond the core in digital services, and delivering a better network and better customer experiences to differentiate Spark with customers. These priorities are enabled by a focus on people and culture, embedding technologies such as AI across Spark, disciplined financial management, and an enduring commitment to sustainability.

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

Since the strategy launched in September 2025, we have made significant progress embedding it across the business.

Lead in core connectivity

We have focused our resources and investment where returns are highest, with mobile central. We delivered a strong pipeline of mobile product innovation, increased marketing investment to support growth in a highly competitive market, and continued to invest behind better retail and digital customer experiences. As a result, we've delivered strong overall mobile revenue growth, returned mobile service revenue to growth, and continued to stabilise more price-driven segments.

Simplify and optimise beyond the core

We made significant progress simplifying our IT services and cloud businesses – including rationalisation of product sets, reducing labour costs in line with changing revenues, migrating customers from legacy products to modern alternatives, and embedding new global partnerships with Microsoft and HPE to improve efficiency and access global capability.

In line with the strategic choices made under SPK-30, at the start of FY27 we announced a transition to a new organisational structure comprising two divisions – Connectivity and Digital Services – with a strategic review of the Digital Services division now underway. The review will assess how to maximise shareholder value from this part of Spark in the future.



Better network

Our network performance is critical to our competitive advantage in connectivity. In FY26, we reaffirmed our network leadership, ranking first for overall mobile network coverage experience for 4G and 5G[1] as independently assessed by Opensignal. Following our build of a 5G Standalone network in FY25, we launched a trial of 5G+, giving customers access to prioritised connectivity during congested events. We also added satellite-to-mobile services and completed the shutdown of our 3G network on time and to plan, enabling us to repurpose spectrum for more modern 4G and 5G mobile connectivity.

Better customer experiences

We continued to invest in both our digital and in-store experience to make our customers' interactions with us easier and more effective. We've updated our website and refreshed our MySpark app to make it easier for customers to find what they're looking for, and kicked off a programme to redesign our retail spaces with a new layout that brings our online and in-store experience together. When combined with our focus on resolving issues more quickly for our customers, this has seen our interaction net promoter score increase for the sixth consecutive year.

1. Spark has ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report.

Forensically

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Enablers of our strategy

Throughout the year we continued to strengthen the fundamentals of the business.

We delivered further significant cost reductions with productivity savings of $40 million, returned net debt to targeted levels, and grew free cash flow.

We're also making progress towards embedding AI into our operations for enterprise-wide process efficiency, with use cases across our customer care and sales teams already resulting in better customer experiences.

We increased employee engagement by 11 percentage points and continued to invest in learning and development opportunities for our people. Our emissions are tracking 59% below our FY20 baseline, ahead of the pathway required to meet our science-based target, and over 38,000 homes are now connected through our not-for-profit broadband services Skinny Jump.

This progress supports the overall logic of SPK-30 – capital and resources aligned to the areas of highest return, investment behind what customers value, and stronger foundations to support growing shareholder returns over time.

FY26 delivered stronger foundations for future value creation

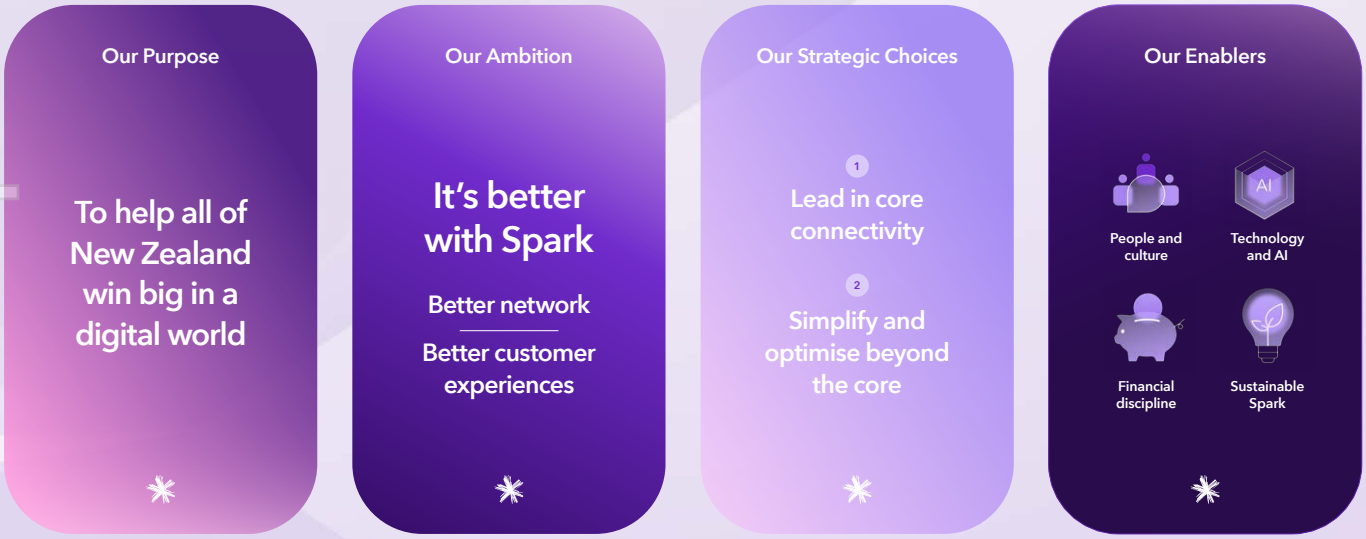
The first year of SPK-30 delivered financial performance within guidance while strengthening our foundations. Free cash flow increased 18.5% to $308 million, enabling Spark to deliver a total FY26 dividend of 16.0 cents per share, in line with guidance.

The completion of the data centre transaction drove a 23% increase in reported EBITDAI to $1,295 million and strengthened the balance sheet, with proceeds being used to return net debt to targeted levels.

Adjusted EBITDAI of $1,035 million declined 2.4%, primarily reflecting the continued decline in legacy voice and five fewer months of data centre earnings following the sale partway through the year. Mobile growth and $40 million in productivity benefits partially offset these impacts, and we expect continued mobile momentum, further cost reduction, diminishing legacy products, and ongoing portfolio management to support EBITDAI growth in future years.

Adjusted ROIC of 8.4% remained stable from FY25 and above our estimated cost of capital, and we are confident in achieving our FY30 ambition of 11-13%.

Together, these outcomes demonstrate disciplined capital allocation, improved cash generation, and a stronger platform for sustainable shareholder returns as SPK-30 progresses.



Performance snapshot

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Reported operating revenues and other gains[1]

$3,949m

6.0% increase vs FY25

Adjusted operating revenues and other gains[2]

$3,700m

no change vs FY25

Reported EBITDAI[1,3]

$1,295m

23.0% increase vs FY25

Adjusted EBITDAI[2,3]

$1,035m

2.4% decrease vs FY25

Reported net earnings[4]

$499m

91.9% increase vs FY25

Adjusted net earnings[2]

$225m

0.9% decrease vs FY25

1. Reported revenues and earnings before finance income and expense, income tax, depreciation, amortisation and net investment (loss)/income (EBITDAI) exclude the results of the data centre business which has been classified as a discontinued operation in the financial statements.
2. Adjusted numbers in FY26 exclude the $278 million gain from the sale of the data centre business and any associated tax impacts. Adjusted numbers in FY25 exclude the $71 million gain on sale of the remaining investment in Connexa, and the $53 million transformation costs associated with Spark's SPK-26 Operate Programme and any associated tax impacts. They also include the results of the data centre business for both years which has been classified as a discontinued operation in the financial statements.
3. EBITDAI and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of the financial statements.
4. Reported net earnings include earnings from both continuing and discontinued operations.

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Mobile service revenue

$998m

1.1% increase vs FY25

Free cash flow[5]

$308m

18.5% increase vs FY25

Broadband revenue

$596m

2.0% decrease vs FY25

Capital expenditure[3]

$467m

8.9% increase vs FY25

Reported return on invested capital[6]

13.8%

5.1 pts increase vs FY25

Adjusted return on invested capital[7]

8.4%

no change vs FY25

5. Free cash flow is a non-GAAP measure and is defined on page 7 of Spark's FY26 detailed financial statements.
6. Reported return on invested capital (ROIC) is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinued operations) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity).
7. ROIC from adjusted earnings is calculated as net operating profit (adjusted EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity). Adjusted EBITDAI includes the earnings from the data centre business up until the time of sale in both years, and in FY26 excludes the gain on sale of the data centres and in FY25 excludes the gain on sale of Connexa and the transformation costs.

Chair's address

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Tēnā koutou,

Last year, the Board approved a new strategic direction for Spark. SPK-30 is a clear choice about where we believe Spark is best positioned to create sustainable competitive advantage, and in doing so, long-term shareholder value.

Connectivity remains the foundation of our business. It is where we have scale, market leadership, trusted customer relationships, and a long history of keeping New Zealand connected through sustained network investment.

During a period of lower economic growth, SPK-30 re-focuses Spark on its core of connectivity, while simplifying and optimising beyond the core in IT services and cloud.

FY26 marked the first year of executing this new strategy. As a Board our focus has been on supporting Spark as it delivered against these strategic choices and continued to respond to a highly competitive environment.

We recognise shareholder concern regarding Spark's share price performance over the past two years, and we remain resolutely focused on improving long-term value through disciplined execution of SPK-30 to deliver stronger business performance.

While there is still more work ahead, we are encouraged by the progress made during this first year and by the early signs of momentum in areas where we have concentrated effort and investment.

We finish FY26 with our results in line with guidance, supported by a return to mobile service revenue growth and strong cost management.

Creating value through active portfolio management

In this first year of SPK-30, one of the Board's key areas of focus was ensuring the company's portfolio supports the strategic choices we have made and strengthens long-term performance.

During the year, we completed the sale of a 75% stake in our data centre business, unlocking significant value while retaining a meaningful interest in the TenPeaks business alongside Pacific Equity Partners.

We also announced a strategic review into the areas of Spark identified as beyond core operations in SPK-30.

Spark has made strong progress simplifying and optimising cloud and IT services over the past year. Having progressed that work, the Board concluded this is the right time to assess how this part of Spark can create the greatest value for shareholders in the future.



Justine Smyth
CNZM

Accordingly, in July we announced that Spark will transition to a new organisational structure comprising two divisions – Connectivity and Digital Services. Connectivity will encompass consumer mobile, broadband, and business connectivity, while Digital Services will comprise cloud, IT services, and adjacent products. The new structure enhances end-to-end accountability and is designed to sharpen execution, improve focus, and accelerate progress towards our FY30 ambitions.

Alongside this change, the Board initiated a strategic review of Digital Services.

Cloud and IT services have played an important role in Spark's growth over many years. Through acquisitions, strategic partnerships and organic growth, Spark has established leading positions in these markets and helped New Zealand organisations progress their own digital transformation journeys.

Today, Digital Services remains a high-quality business with strong customer relationships, talented people, differentiated intellectual property, and leading market positions.

At the same time, the markets in which these businesses operate have changed materially over the years. Long-term digitisation trends, ongoing cloud adoption, and growth in data and AI continue to support customer demand. However, these tailwinds are increasingly being offset by lower business spending, margin

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pressure from the shift towards public cloud, and continued commoditisation across some technology services markets.

Against this backdrop, the review will assess how Digital Services is best positioned for its next phase of growth, and how Spark can maximise the value generated by these businesses while maintaining clear focus on the connectivity strategy at the heart of SPK-30. We expect the review to complete during the first half of FY27.

Returning debt to targeted levels

Disciplined capital management remains a focus of the Board. Following completion of the data centre transaction, our net debt to EBITDA ratio[1] is now within our targeted range, providing greater flexibility and resilience.

The Board remains committed to balancing investment for future growth with improving returns for shareholders over time. From FY26, we made changes to our Dividend Policy to support a sustainable dividend funded by free cash flow (FCF) and changed our target dividend payout ratio to 70–100% of FCF, to provide flexibility if needed in the future.

Return on invested capital (ROIC)[2] in FY26 was 8.4% and we continue to work towards our FY30 ambition of 11-13% by simplifying the portfolio, improving earnings quality, and strengthening free cash flow.[3] FY26 was the first step towards this goal, with free cash flow increasing 18.5% to $308 million. Accordingly, the Board has declared a total FY26 dividend of 16.0 cents per share, representing a 100% payout ratio in line with guidance.

Board renewal

FY26 was also a significant year for Board renewal.

We welcomed three new directors whose experience spans telecommunications, infrastructure, technology, finance, and governance. Together they bring fresh perspectives and valuable expertise that will support Spark through its next strategy period. Ensuring successful onboarding and immersion in Spark's business has been a focus.

The Board has also been focused on Chair succession, and I was pleased to announce that non-executive Director Vince Hawksworth will become the next Chair of Spark, commencing 6 November 2026. I will remain Chair until the conclusion of the Board meeting on 5 November 2026, marking the completion of my tenure and enabling Vince to lead Spark's FY26 AGM the following day.

Vince joined the Spark Board in October 2025 following an accomplished executive career spanning more than 18 years of Chief Executive roles within regulated utility and infrastructure businesses across New Zealand and Australia. Most recently Chief Executive of Mercury Energy, and previously Trustpower New Zealand, he brings deep expertise in infrastructure investment and managing large-scale customer businesses, with a track record of creating shareholder value. This experience will be a valuable asset for Spark.

Together with the broader Board I am confident that Vince will continue to support Spark to improve performance as it works towards its FY30 ambitions. His deep experience running large-scale businesses with significant workforces, customer bases, and capital investment profiles will be a valuable asset as Spark continues to execute its strategy and deliver value for shareholders.

Looking back

As I prepare to step down from the Spark Board, I have had the opportunity to reflect on how much has changed during my tenure.

The company has transformed from its early Telecom days, into the more customer-focused and fast-moving business that Spark is today. Over that time Spark has played a significant role in the development of New Zealand's digital infrastructure, brought new technologies to our shores, and enabled households, communities, and businesses to win big in a digital world.

Not every period has delivered the outcomes we have aspired to, and I recognise the frustration many shareholders have felt in recent years. While market conditions have been challenging and technology continues to evolve rapidly, we also recognise the importance of adapting our business and improving performance. SPK-30 reflects the actions we are taking to do that.

Spark has a long history of transforming itself to adapt to the changing environment, and I have every confidence that SPK-30 will enable the business to do so once again, for the benefit of our customers and shareholders.

I am confident that Spark has clear strategic direction, strong leadership, and a firm foundation on which to build.

Most importantly, I will leave with a deep appreciation for the people who have contributed to the company's success over many years, and for the support of our shareholders throughout that journey.

It has been a privilege to serve.

Ngā mihi



Justine Smyth CNZM
Chair

1. EBITDAI means earnings before finance income and expense, income tax, depreciation, amortisation, and net investment (loss)/income.
2. ROIC from adjusted earnings is calculated as net operating profit (adjusted EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity). Adjusted EBITDAI includes the earnings from the data centre business up until the time of sale in both years, and in FY26 excludes the gain on sale of the data centres and in FY25 excludes the gain on sale of Connexa and the transformation costs.
3. Free cash flow is a non-GAAP measure and is defined in Spark's detailed KPI disclosures.

CEO review

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Tēnā koutou,

FY26 was a year focused on disciplined execution.

Our operating environment remained challenging, with heightened competition and economic conditions continuing to influence spending across households, businesses, and government. While there were some signs of improvement during the year, these pressures continued to affect performance in some areas. Against this backdrop, we are encouraged by the progress made in the first year of SPK-30.

We have concentrated capital and resources where returns are highest – growing our core connectivity business, simplifying and optimising beyond it, delivering strong overall mobile revenue growth, and a more sustainable cost base. At the same time, we invested in what differentiates Spark – our network and customer experiences.

On a reported basis, revenue[1] increased 6.0% to $3.95 billion, EBITDAI[2] increased 23.0% to $1.295 billion, and NPAT[3] increased 91.9% to $499 million, reflecting the completion of the sale of a 75% stake in our data centre business during the year.[4]

Adjusted revenue[5] of $3.7 billion was unchanged on FY25, despite lower contribution from the data centre business following the sale. Adjusted EBITDAI[2,5] of $1.035 billion was down 2.4%, primarily reflecting declines in digital services, the continued decline in legacy voice – which now represents only 3.2% of overall revenue – and five fewer months of data centre earnings following the sale partway through the year. Mobile growth and $40 million in productivity benefits partially offset these impacts. Continued mobile momentum, further cost reduction, diminishing legacy products, and ongoing portfolio management are expected to support EBITDAI growth in future years. Free cash flow of $308 million was up 18.5%.

Underpinning this progress were stronger business fundamentals – disciplined cost management, successful implementation of new strategic partnerships, employee engagement up 11 points, and emissions reductions running ahead of the pathway needed to meet our science-based target.[7]

Together, these outcomes demonstrate further stabilisation in performance and provide encouragement that SPK-30 is gaining traction.

Building momentum in mobile

Mobile is central to our strategy. It represents our largest market opportunity, our strongest competitive position, and the category remains well positioned for growth, as customers continue to use more data every year.

During FY26, total mobile revenue grew 4.4% to $1,517 million, with mobile service revenue increasing 1.1% to $998 million.

We continued strengthening our mobile propositions through product innovation, improved customer experiences, and greater value. During the year we launched satellite-to-mobile services through our partnership with Starlink, introduced New Zealand's first Kids Plan, expanded roaming options, and continued growing



Jolie Hodson
MNZM

acquisitions on interest-free payments – an important driver of higher-value plans and retention. Together these initiatives are helping to differentiate Spark and give customers more reasons to choose us and stay with us.

Off the back of this work, Consumer and SME[8] mobile service revenue grew 1.4%, supported by strong pay monthly ARPU[9] growth and continued stabilisation of our domestic prepaid base, which accounts for around 89% of prepaid revenue.

Enterprise and government mobile service revenue remains under pressure from pricing competition, but the rate of decline has slowed compared with FY25 and customer connections remained stable.

Collectively these improvements give us confidence that the actions we are taking are moving the business in the right direction.

Better network

Network leadership remains one of Spark's most important competitive advantages.

The investment we make in our network underpins everything we do and remains fundamental to our long-term success.

Independent testing again recognised Spark's leadership in overall 4G and 5G mobile coverage experience, reinforcing the strength of our network position in New Zealand.[10]

A major milestone during FY26 was the nationwide shutdown of our 3G network. This was one of the largest operational programmes we have undertaken in recent years, involving extensive customer engagement, network builds and planning, and industry coordination. The programme was delivered to plan and on schedule and enables us to repurpose valuable spectrum to support future

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growth in 4G and 5G services. While the transition was smooth for the vast majority of customers, we continue to support a small number of customers in more remote and edge-of-network locations through our dedicated 3G care team.

We also continued investing in network capability and resilience. During the year we launched 5G+, trialling network slicing capability to create new opportunities to monetise our 5G investment through differentiated services for customers. We also enhanced scam protection capabilities and secured a new telecommunications resilience agreement with Government to support 24-hour battery backup on cell towers, recognising the critical role our network plays during emergencies.[11]

Satellite strengthens our advantage

One of the most exciting developments during the year was the launch of satellite-to-mobile services through our partnership with Starlink.

Satellite extends the reach of our network to the edge, helping customers stay connected in remote locations and areas beyond traditional mobile coverage. Since launch, more than 146,000 eligible customers have connected to the service.[12]

Satellite technology has attracted significant interest globally, however terrestrial mobile networks remain unmatched when it comes to serving large numbers of customers simultaneously, delivering high throughput, and providing the indoor coverage and always-on connectivity people expect every day.

What satellite does is extend the coverage experience further. It fills gaps where towers cannot reach and provides customers with greater confidence that they can stay connected wherever they are.

Together, those capabilities make Spark's connectivity proposition even stronger.

Better customer experiences

Improving customer experience is another core pillar of SPK-30.

During FY26 our measure of customer satisfaction – our interaction Net Promoter Score – increased for the sixth consecutive year. This reflects our sustained focus on simplifying customer interactions, improving resolution times, and making it easier for customers to access support when they need it.

It also reflects the investments we make into our digital, retail, and care channels. During the year we improved digital journeys, expanded AI-enabled support tools, and increased the use of AI across customer and employee experiences.

AI is becoming an increasingly important enabler of both productivity and innovation across Spark, and we expect its role to continue growing in the years ahead. In our contact centres, AI-enabled tools are helping our people resolve enquiries faster and more consistently.

In our stores, we began rolling out a refreshed retail format designed to improve the service experience of our retail customers, and bring digital and physical experiences together more effectively.

Looking ahead

Our FY26 results give us a stronger platform to build on as we move into FY27.

We remain focused on returning to EBITDAI growth by sustaining momentum in mobile, continuing to improve productivity, and further simplifying our portfolio so we can focus investment and resources where we have the strongest potential to create shareholder value.

We have a strong programme of activity planned for the year ahead to drive growth in our core – refreshing mobile and wireless broadband propositions, a new MySpark app, new reward and recognition initiatives for our loyal customers, and further investment in network and customer experience leadership.

We have already announced the strategic review of our Digital Services division, which has seen us move to a new organisational structure that creates clear ownership of performance across Connectivity and Digital Services, strengthens execution, and enables us to allocate capital and resources appropriately, to support each division to perform in line with its distinct needs and growth potential.

At the same time, we will continue driving productivity improvements, simplifying how we operate, and maintaining disciplined cost management.

We are realistic about the environment ahead. Competitive intensity remains high and economic conditions continue to present challenges.

However, we believe the strategic choices we have made are the right ones. The first year of SPK-30 has established a stronger foundation, and we are entering FY27 with clearer focus, stronger execution, and a confident view of where Spark can create value in the future.

Our ambition remains unchanged. We want it to be better with Spark – for our customers, our people, and our shareholders.

Thank you for your continued support.

Ngā mihi



Jolie Hodson MNZM
CEO

1. Revenue means operating revenues and other gains.
2. EBITDAI means earnings before finance income and expense, income tax, depreciation, amortisation, and net (loss)/investment income.
3. NPAT means net profit after tax.
4. Reported revenue and EBITDAI exclude the results of the data centre business, which has been classified as a discontinued operation in the financial statements.
5. Adjusted revenue, EBITDAI and NPAT include the data centre business in FY26 and FY25. Adjusted numbers in FY26 exclude the $278 million gain from the sale of the data centre business and any associated tax impacts. Adjusted numbers in FY25 exclude the $71 million gain on sale of the remaining investment in Connexa, and the $53 million transformation costs associated with Spark's SPK-26 Operate Programme and any associated tax impacts.
6. Free cash flow is a non-GAAP measure and is defined in Spark's detailed KPI disclosures.
7. Scope 1 and 2 emissions reduced 57% year-on-year, tracking 59% below Spark's FY20 baseline and ahead of the pathway required to meet Spark's FY30 science-based target of a 56% reduction.
8. SME means small and medium enterprises.
9. ARPU means average revenue per user.
10. Spark ranked first for overall coverage experience and 5G coverage experience in Opensignal's October 2025 NZ Mobile Network Experience report.
11. Spark and Connexa were awarded a contract by the National Infrastructure Funding and Financing. The 1.7 million addresses figure includes overlapping coverage into neighbouring areas. Upgrades will start in the second half of 2026 and are expected to be completed by June 2027.
12. More than 146,000 eligible customers have connected to Spark's satellite-to-mobile service since launch in April 2026.

How we create value

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INPUTS

What we rely on to operate our business

Finance
Strong balance sheet

People
Skilled, engaged and effective teams

Partnerships
Global and local partnerships that strengthen and broaden our capability

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

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

Relationships
With customers, suppliers, communities and stakeholders

OUR BUSINESS MODEL

How we use these inputs to create outputs and outcomes

OUR PURPOSE

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



UNDERPINNED BY STRONG GOVERNANCE AND OUR VALUES

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

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OUTPUTS

What we aim to create



Financial growth and shareholder returns



Skilled, safe and diverse workforce



Resilient, automated and adaptive network and technology



Reliable connectivity for our customers



Reduced use of natural resources



Improved customer experience, digital equity, and supply chain practices

OUTCOMES

The benefits of these outputs

Creating value for shareholders

See pages 4–5

Employment and skill development

See page 39

Connected New Zealand and resilient digital economy

See page 26

Connected and enabled New Zealanders

See page 21

Protecting the environment and supporting New Zealand's decarbonisation

See page 31

Better customer experience, social outcomes, and participation

See page 35

Our performance

Reported EBITDAI[1,2]
$1,295m
23.0% increase vs FY25

Reported net earnings[3]
$499m
91.9% increase vs FY25

Reported basic earnings per share[3]
26.4 cents
88.6% increase vs FY25

Adjusted EBITDAI[1,4]
$1,035m
2.4% decrease vs FY25

Adjusted net earnings[1,4]
$225m
0.9% decrease vs FY25

Adjusted basic earnings per share[4]
11.9 cents
3.3% decrease vs FY25

Dividends per share[5]
16.0 cents
36.0% decrease vs FY25

Reported and adjusted results

Spark's FY26 financial results include reported and adjusted figures. Reported EBITDAI includes continuing operations and removes the results of the data centre business, which is classified as a discontinued operation. This means data centre net earnings are disclosed separately in the financial statements. Adjusted results include the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

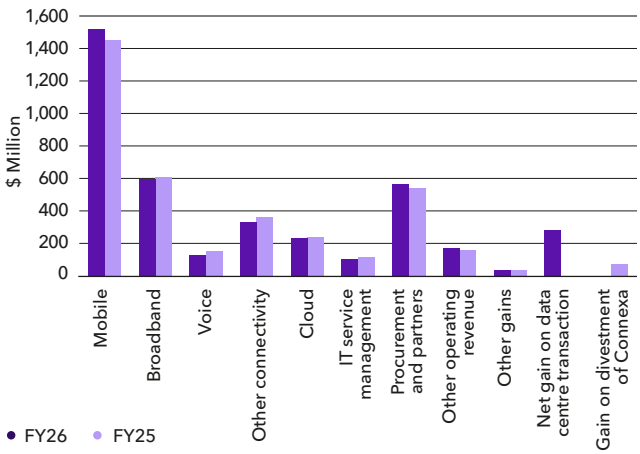
Operating revenues and other gains

$3,949m
reported (up 6.0%)

$3,700m
adjusted (no change)

Reported revenues[2]

- Mobile revenue increased $64m, or 4.4%, driven by growth in both service and non-service revenue.
- Mobile service revenue grew $11 million or 1.1%, driven by consumer pricing and plan mix, partly offset by lower connections.
- Mobile non-service revenue grew $53m, or 11.4%, reflecting strong growth in handset sales, supported by customer uptake of interest free payments (IFP), accessories sales, and increased revenue from distribution sales through retail channel partners.
- Broadband revenue declined $12 million, or 2.0%. Mainly driven by a decline in broadband connections in a highly competitive market.
- Legacy voice revenue declined $24 million, or 16.0%, in line with the long-term trend. Voice now contributes only 3.2% of total revenue.
- Other connectivity revenue declined $36 million, or 9.9%, reflecting the divestment of Digital Island in FY25, the transition from legacy product to modern solutions, and the timing of hardware sales in IoT.
- Cloud revenue declined $2 million, or 0.9%, as customers continued to transition from private cloud to public cloud.
- Procurement and partners revenue increased $25 million, or 4.6%, driven by stronger hardware sales.



- IT service management revenue declined $12 million, or 10.3%, reflecting lower project activity as challenging economic conditions continued to dampen customer demand.
- Other product revenue increased $11 million, or 6.9%, driven by higher network infrastructure delivery revenue by Entelar.

1. EBITDAI is a non-GAAP performance measure that is defined in note 2.5 of the financial statements.
2. Reported revenues, operating expenses, and EBITDAI exclude the results of the data centre business which has been classified as a discontinued operation in the financial statements.
3. Reported net earnings and basic earnings per share includes earnings from both continuing and discontinued operations.
4. Adjusted numbers in FY26 exclude the $278 million gain from the sale of the data centre business and any associated tax impacts. Adjusted numbers in FY25 exclude the $71 million gain on sale of the remaining investment in Connexa, and the $53 million transformation costs associated with Spark's SPK-26 Operate Programme and any associated tax impacts. They also include the results of the data centre business for both years which has been classified as a discontinued operation in the financial statements.
5. This represents the H1 FY26 first-half dividend of 8.0 cents per share, together with the H2 FY26 second-half ordinary dividend declared of 8.0 cents per share. Referenced on page 108.

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Operating revenues and other gains (continued)

- Other gains increased to $312 million, including the $278 million gain on sale of the data centre business. Excluding this gain, other gains increased modestly to $34 million.

Adjusted revenues[4]

- Adjusted revenues include $29 million of data centre revenue reported within the discontinued operation and excludes the $278 million gain on sale of the data centre business.

Operating expenses

$2,654m reported (down 0.7%)

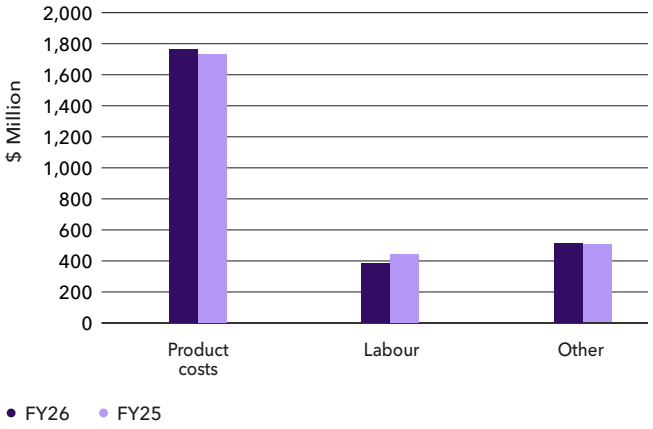
$2,665m adjusted (up 0.9%)

Reported operating expenses[2]

- Product costs increased $31 million, or 1.8%. Higher volumes, predominantly across mobile and procurement, drove a $66 million increase. This was partially offset by the cost reduction programme, which delivered $35 million of savings related to improved buying terms, exit of legacy products, and simplification.
- Labour costs decreased $58 million, or 13.2%, reflecting the ongoing benefits of the operating model changes and technology and network partnerships (which are now reflected in other operating costs).
- Other operating expenses increased $9 million, or 1.8%, with the non-recurrence of the prior year $53 million transformation costs being offset by a combination of the higher technology and network partnership costs, higher brand advertising costs to remain competitive in the market, inflationary increases in software licence costs and severances.

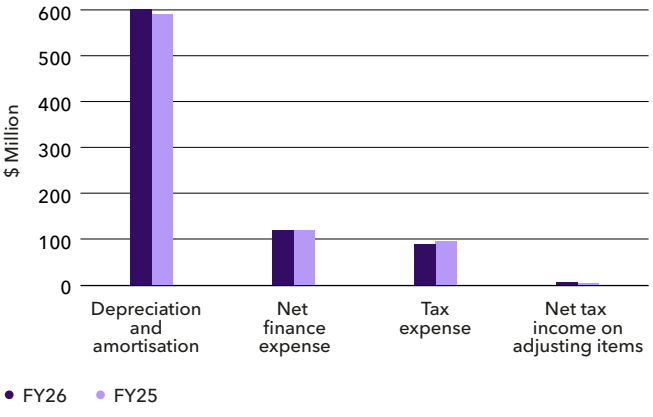
Adjusted operating expenses[4]

- Total adjusted operating expenses increased $25 million, or 0.9%, from FY25 with the key year-on-year impacts outlined above, after adjusting for the $53 million prior year transformation costs and the net year-on-year reduction in data centre costs of $10 million which are included in adjusted operating expenses.



Other

- Total depreciation and amortisation increased $12 million, or 2.0%, largely driven by higher depreciation associated with prior-period capital investment and right-of-use assets.
- Net finance expense was flat year-on-year with lower interest expense, driven by lower debt levels, partly offset by lower interest income.
- Tax expense decreased $7 million, reflecting lower underlying earnings before tax and a return to a more normalised corporate tax rate after removing the impact of the gain on sale from the data centre business.



Net earnings from discontinued operation

The data centre business has been classified as a discontinued operation, with its sale completing on 30 January 2026. Data centre net earnings up to the sale date were $13 million in FY26 compared with $8 million in FY25, with the increase largely driven by ceasing depreciation on assets from the date that it was classified as held for sale.

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Operating cash flows

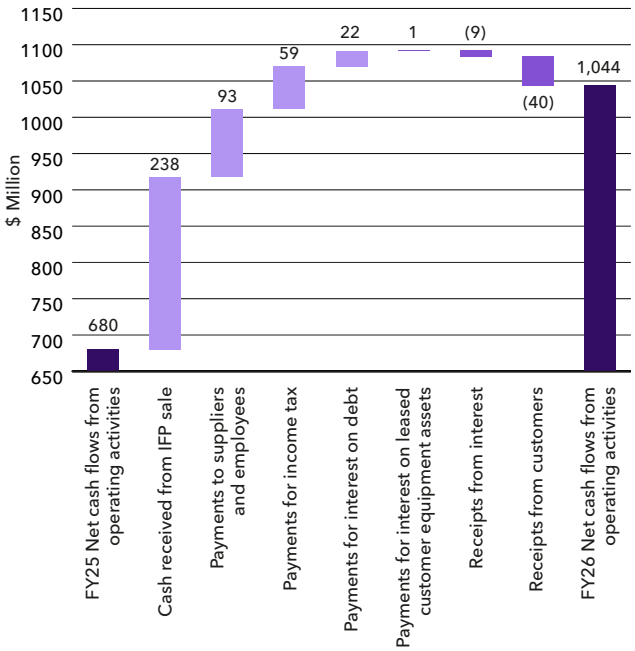
YEAR ENDED 30 JUNE	2026 $M	2025 $M
Net cash flows from operating activities	1,044	680
Net cash flows from investing activities	90	(112)
Net cash flows from financing activities	(1,011)	(593)
Net cash flows	**123**	**(25)**
Free cash flow[6]	**308**	**260**

- Operating cash flows increased $364 million to $1,044 million, primarily reflecting a net $238 million[7] increase in relation to the interest-free payment (IFP) receivable book sale, timing of payments, and lower income tax payments, partially offset by reduced customer receipts largely due to increased net settlement of receivables and payables, which reduced gross cash receipts and payments during the year.
- Investing cash flows increased $202 million, primarily driven by $462 million of net proceeds from the sale of the data centre business. This was partially offset by lower proceeds from the sale of long-term investments, where $48 million was received for the sale of Hutchinson in FY26 compared to $309 million of net proceeds from the sale of the remaining interest in the Connexa business in FY25.
- Financing cash outflows were $1,011 million in FY26, consisting mainly of net repayments of debt of $464 million (following the receipts of the data centre proceeds and IFP sale proceeds), dividend payments of $387 million, and lease payments of $108 million.
- Free cash flow increased $48m, with the decline in adjusted EBITDAI and increased lease payments more than offset by lower cash payments for tax, and favourable working capital movements.

Operating cash flows

$1,044m

(up 53.5%)



6. Free cash flow is a non-GAAP measure and is defined on page 7 of Spark's FY26 Detailed financial statements.
7. Payments for discounts on derecognised IFP receivables of $19 million are included in cash flows from financing activities.

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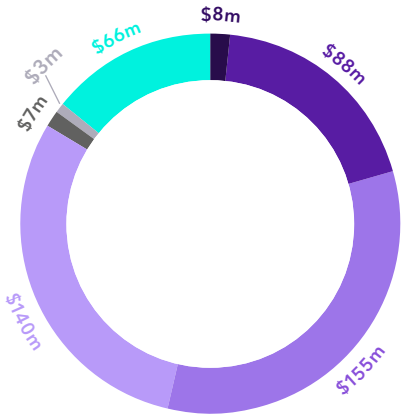
Capital expenditure[8]

Total capital expenditure	BAU capital expenditure	Strategic capital expenditure
$467m	$401m	$66m

Capital expenditure to adjusted operating revenues and other gains[9]	BAU capital expenditure to adjusted operating revenues and other gains
12.6% (FY25 11.6%)	10.8% (No change from FY25)

Capital expenditure in FY26 included the following key focus areas and projects:

- Investment in the lifecycle and licensing of internal IT systems focused on automation and enterprise platform integration to drive efficiency.
- Expanding AI investment to embed intelligence across operations, accelerating automation, and service transformation.
- Continued investment in Spark's mobile core and radio access network (RAN), delivering greater network capacity, coverage, and reliability.
- Fixed network infrastructure and international cable capacity to meet requirements for Spark's fibre, transport and IP network, continuation of the core networks expansion and resilience programme, continued exit of the Public Switched Telephone Network (PSTN), and international cable capacity purchases to meet forecasted demand for data.
- Property investment in Spark's corporate offices, retail stores fitouts and refits, and sustaining investment for power and building services for Spark-owned exchanges.
- Data centre investment, $66 million of strategic capital expenditure, includes land purchases and pre-construction activities on Takanini and Northshore campuses prior to sale.
- Total capex comprised $401 million of BAU capital expenditure and $66 million of strategic capital expenditure.



BAU Capex
- Cloud
- Fixed network and international cable capacity
- IT systems
- Mobile network
- Property
- Other

Strategic Capex
- Data centres

Return on invested capital (ROIC)[10]

- FY26 reported ROIC of 13.8% increased from 8.7% in FY25 largely due to the gain on sale of the data centre business.
- FY26 ROIC from adjusted earnings[11] of 8.4% remained unchanged from FY25.
- Both ROIC measures are above our estimated WACC and outperform the majority of Spark's global peers.

8. CAPEX is a non-GAAP performance measure that is defined in note 2.5 of the financial statements.
9. CAPEX to operating revenues and other gains for FY26 is calculated on adjusted operating revenue (excluding the gain on sale of the data centre business) to enable a meaningful analysis.
10. Reported return on invested capital (ROIC) is calculated as net operating profit (EBITDAI less depreciation and amortisation for both continuing and discontinued operations) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity).
11. ROIC from adjusted earnings is calculated as net operating profit (adjusted EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of average invested capital (total debt including leases plus equity). Adjusted EBITDAI includes the earnings from the data centre business up until the time of sale in both years, and in FY26 excludes the gain on sale of the data centres and in FY25 excludes the gain on sale of Connexa and the transformation costs.

Our Board and Leadership Team

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Our Board



Justine Smyth CNZM
Chair and Non-executive Director[1]

Justine was appointed to the Board in December 2011 and was last re-elected in November 2025. She was appointed Chair in October 2017, and has experience in listed company governance, capital markets, and the financial and commercial performance of large corporate enterprises.



Warwick Bray
Non-executive Director

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



David Havercroft
Non-executive Director

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



Vince Hawksworth
Non-executive Director[2]

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



Jolie Hodson MNZM
Chief Executive and Executive Director

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



Lisa Nelson
Non-executive Director

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



Tarek Robbiati
Non-Executive Director

Tarek joined the Board in October 2025, and brings financial and commercial acumen, strategic business transformation, and deep telecommunications industry experience to the Board.



Lindsay Wright
Non-Executive Director

Lindsay joined the Board in August 2025, and became Chair of the Audit and Risk Management Committee (ARMC) in September. She brings substantial expertise in commercial operations, strategy, investment management, finance, capital markets, and risk and capital management to the Board.

1. Justine Smyth will step down from the Spark Board at the conclusion of the Board meeting on 5 November 2026.
2. Vince Hawksworth will commence as Chair of the Spark Board at the AGM on 6 November 2026.

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Leadership Team



Leela Ashford
Chief Marketing and Corporate Affairs Officer

Leela leads Spark's marketing, brand, corporate affairs, and sustainability functions. She brings extensive experience in brand and reputation building, corporate communications, and stakeholder engagement across government, industry, and communities.



Matt Bain
Chief AI and Technology Officer

Matt brings his digital marketing and customer experience skills to place the customer at the centre of Spark's strategies. He has extensive experience using data and technologies like Artificial Intelligence (AI) to enable organisations to better understand and predict their customers' needs more accurately.



Mark Beder
Chief Customer Officer Connectivity

Mark leads the performance of Spark's core connectivity business. He brings extensive experience in technology leadership, network customer operations, capital investment, sales, and business strategy.



Tommy Bjorkberg
Chief Operating Officer

Tommy will join the Leadership Team on 1 October 2026 to lead Spark's network operations, business technology services, and cyber security. He brings more than 25 years of international telecommunications and technology leadership experience, spanning mobile and fixed networks, cloud, and digital infrastructure.



Greg Clark
Interim Chief Customer Officer Digital Services

Greg is responsible for leading Spark's digital services division, which includes cloud, IT services, and adjacent products. He brings retail, sales, customer experience and marketing expertise to the business. Greg will depart Spark in December 2026.



Heather Langton
Chief People and Culture Officer

Heather is responsible for leading the People and Culture team at Spark. She brings extensive leadership development, culture, and workforce transformation expertise to the business.



Stewart Taylor
Chief Financial Officer

Stewart leads the finance function at Spark. He brings financial, capital management, business strategy, and performance delivery expertise to the business.



John Wesley-Smith
Chief Legal and Strategy Officer

John is responsible for leading the development of Spark's commercial strategy and overseeing its legal, regulatory, and public policy processes. He brings strategy, public policy, and regulatory expertise to the business.

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



Our customers

Our customers are key to Spark's success, and creating better customer experiences is a core part of our SPK-30 strategy. We provide mobile, broadband, and business connectivity services that connect individuals and households, small businesses, government, and large enterprise customers. These products and services connect customers and communities across the country, creating value for New Zealand as well as Spark.

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It's better with Spark

At the start of FY26, Spark introduced a new five-year business ambition and brand platform – *it's better with Spark*.

Whether it is our returns to shareholders, our customer experience, our network performance, or the culture we create with our people – we want it to be better with Spark.

This ambition is now what guides how we build the Spark brand to support long-term growth.

During FY26 we increased brand investment, recognising that differentiation is critical to our success in a highly competitive market. Since the launch of our first campaign bringing the new brand platform to life, we have seen growth in core metrics, such as brand strength in Auckland, where Spark is traditionally underweight in market share.

In June we launched our first proof point of 'better', focused on Spark's safety and security credentials.

Every day, Spark stops millions of online threats from reaching our customers. The challenge is that this work is largely unseen. To make the invisible, visible, we created a world that shows what is happening behind the screen of your phone – with scams personified by a character that is universally recognised as deceptive, the wolf. Recognising that no one business can stop every single scam from getting through, we also launched a new Safety and Security Hub for our customers, with new tools and practical information on how to stay safe from scams.

In the year ahead, our brand investment will continue to bring to life our ambition of *it's better with Spark*, through examples of the investment we're making in our network and customer experience.

Better customer experiences

Creating better customer experiences is a key SPK-30 ambition, and in FY26 this was reflected in several initiatives that made our customers' interactions with us easier and more effective.

This progress is reflected in customer feedback, with our interaction net promoter score (our measure of customer satisfaction) for our consumer and SME customers increasing annually for six consecutive years, and up 2 points to +42 in FY26.

+42

Customer interaction net promoter score up 2 points in FY26

Better online experiences

In the past year we have made improvements to our online experiences across all our digital channels, including the website and MySpark app.

We've updated our website with a brand new homepage and made it easier for customers to find our plans, products, and other details they need.

This is supported by our refreshed MySpark app, which has a more intuitive user experience based on customer feedback, and smarter features that help customers get what they need faster. Through the new app we've enabled 'Verified Call', a New Zealand-first feature that helps our customers to quickly identify genuine calls from Spark.

Looking Forward

Using AI to improve customer experience

Over the past year we continued to scale the use of Artificial Intelligence (AI) across our operations to improve service quality for our customers and efficiency for Spark.

AI-powered assistants securely connect to Spark systems and support our team of contact centre advisors by providing relevant information about customers, products, and services in real time. These assistants are now answering approximately 2,000 complex internal queries on average each month, reducing the proportion of queries requiring escalation, and resulting in faster, more consistent support for customers.

In April, Skinny launched its first AI-powered assistant, Bravado, designed to support Skinny's care team with instant answers through an easy-to-use chat interface. This ultimately enables faster support for Skinny customers

Enhancing our retail experience

While we improve our online customer experiences, we know many New Zealanders still value going into our stores to talk to our teams in person. In FY26 we began a programme to redesign our retail spaces with a new layout that brings our online and in-store experience together.

This new layout was first launched in March at our Westfield St Lukes store in Auckland, and in June we opened our newly designed, flagship Manukau store. The refits have been designed for better customer experiences and include faster payment and processing, a centralised service hub for personalised support, clearer in-store signage for easier navigation, and more hands-on technology experiences through our partners.

Designed with a customer-first approach, our new retail spaces are all about making technology feel more accessible, comfortable and connected. Over the next five years, the new design will be rolled out across our retail stores nationwide.



Spark's Westfield St Lukes store was the first in the country to feature our new layout.



Spark launched its satellite-to-mobile service in April.

146,000

Spark customers have used our satellite-to-mobile service in the first three months since launch

Strengthening our mobile proposition

Mobile is central to our SPK-30 strategy, and we have a strategic ambition to extend our market-leading position. During the year, we retained our #1 mobile service revenue market share and continued to stabilise overall connections despite ongoing pricing pressure and increasing competition. We continued to build momentum through network leadership, product innovation, and a strong programme of customer experience enhancements.

Launching satellite-to-mobile services

Spark launched its satellite-to-mobile service in April, through a new partnership with Starlink, extending our mobile coverage to some of the most remote parts of Aotearoa. Satellite connectivity is included for customers on eligible consumer, SME and enterprise plans, with an optional add-on available for other plans.

Customers with satellite-capable devices on eligible plans can use Spark's satellite-to-mobile technology to send and receive texts and use data on selected satellite-ready apps, in areas without standard Spark network coverage, provided there is line of sight to the sky. This significantly extends the reach of Spark's network for customers who live, work or travel in remote areas.

In the first three months since launch, over 146,000 Spark customers have used our satellite-to-mobile service.

New and improved roaming experience

Spark developed a new mobile roaming experience during the year, which better reflects our customers' needs, with increased data allowances and value.

New daily roaming allows Spark pay monthly customers to use their existing plan allowances of data, texts, and calls in over 100 destinations around the world, for just $10 a day. Two new roaming packs were also launched to provide data only, and data and talk options for longer trips. The new experience launched at the start of FY27, in early July.

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More value for Skinny customers

Skinny, our low-cost mobile brand, introduced long-term prepaid plans during the year.

Customers who purchase these 52-week plans receive further value by saving 15% on their annual mobile bills. The plans are offered at two price points, which customers can select based on their calling, texting and data needs. Around 6% of all Skinny mobile customers are now on these long-term plans.

During the year, Skinny also formed a partnership with Woolworths New Zealand's Everyday Rewards Loyalty Programme, enabling eligible customers to earn loyalty points when they purchase Skinny SIMs or top-up in participating Woolworths stores. Skinny further expanded its distribution through a partnership with The Warehouse Group, introducing Skinny SIMs and top-ups across The Warehouse's nationwide retail network.

These partnerships significantly extend Skinny's reach and will support prepaid customer connection growth and strengthen retention in the competitive pre-paid market segment.

Connecting New Zealand businesses

Connectivity is a critical enabler of productivity, resilience and service delivery across New Zealand's economy.

Spark supports businesses and government organisations with connectivity and digital solutions that help them operate reliably, manage complexity, and respond to changing economic and operational conditions.





Skinny launched a new AI brand ambassador campaign in FY26.



Spark Kids plan is New Zealand's first mobile plan designed specifically for kids and parents.

New Zealand's first Kids Plan

During FY26 Spark launched New Zealand's first mobile plan designed specifically for kids and parents.

Spark's Kids Plan puts parents in control, with built-in protections – including no promotional marketing texts or emails from Spark, no surprise charges thanks to restrictions on buying extras or replying to premium short code texts, and incremental data limits. The plan starts with 1GB, which is enough for practical use like bus tracking or Find My iPhone, but not endless scrolling. Parents can then allocate a further 1GB when, and if, they choose to.

The plan offers families a thoughtful way to introduce mobile phones with clear boundaries, offering a solution that empowers parents to make choices that fit their family's needs.

As part of the launch, Spark also partnered with The Parenting Place to create an online 'Parent Hub' with valuable insights and resources, expert guidance, and evidence-based tools from child psychologist Dr Emma Woodward and Netsafe (New Zealand's online safety organisation) so parents can feel confident, not overwhelmed, as they support their children's digital journeys.

Supporting small-medium businesses to lift productivity

Over 110,000 small and medium enterprises (SMEs) in New Zealand are supported through our network of locally owned Spark business hubs.

In FY26, Spark launched a partnership with SME leadership training experts, Icehouse, to deliver free workshops across seven locations nationwide. Designed to help SMEs lift productivity, the partnership brings together Spark's technology expertise and Icehouse's deep experience in business growth.

The programme was designed around the realities of SME owners, who are time-poor and often juggling competing priorities.

Participants learn how small changes in leadership habits can materially lift productivity, supported by simple digital workflows, and a risk -and accuracy checklist for safe AI adoption and implementation within their businesses. They also gain free access to the Spark AI Foundations course upon completion of the workshop to continue improving their AI literacy for better workplace productivity.

Since launch, more than 400 people have completed the programme.

Port Nelson deploys private 5G network with Spark and Ericsson

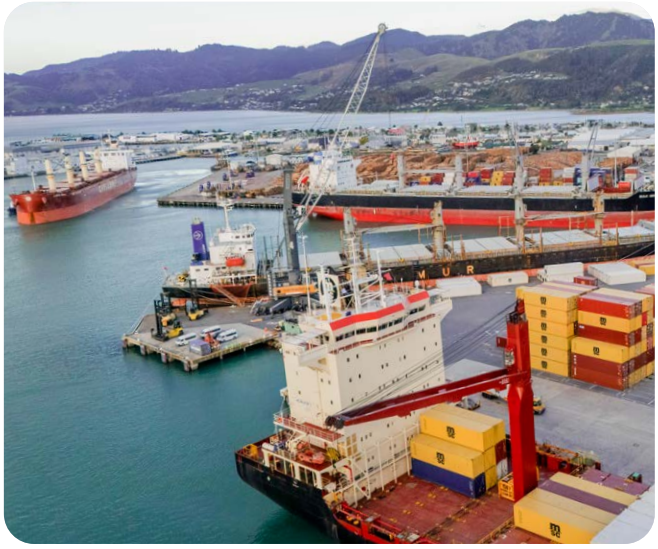
A key gateway to the South Island, Port Nelson underpins New Zealand's economy, handling a diverse range of exports and imports.

Port Nelson's warehousing operations rely on employees scanning every pallet moved to maintain accurate inventory and safe, efficient logistics. However, the physical layout of the warehouses, including dense, block stacked storage, moving vehicles and large structures, meant traditional Wi Fi could not provide consistent coverage across the site. Employees regularly lost connection while working, forcing them to stop, move to find a signal, or change how they operated simply to complete routine tasks. This disrupted workflows, reduced productivity, and limited the Port's ability to modernise its operations.

By deploying Spark's 5G+, a private 5G network in partnership with Ericsson, Port Nelson can access reliable, secure connectivity that enables uninterrupted real-time scanning, improves operational efficiency, and strengthens safety communications. This provides a foundation for future automation and digital innovation – helping unlock productivity gains not only for Port Nelson, but the wider regional economy.

110,000

Small and medium enterprises (SMEs) in New Zealand are supported through our network of locally owned Spark business hubs.



Spark has deployed 5G+ at Port Nelson to provide a foundation for future digital innovation.

Simplifying our digital services for better customer outcomes

During FY26, we continued to support business customers to migrate from legacy IT products onto modern alternatives, such as ServiceFlex – Spark's flexible IT service management platform that simplifies how organisations manage their technology. By combining digital channels with automation and performance insights, ServiceFlex helps customers reduce operational complexity, improve efficiency, and deliver better experiences for their own users.

In cloud, we completed the integration of our cloud businesses into Spark. Since FY24, we have been simplifying our cloud operations by bringing CCL[1] and Spark systems and products together into a single platform, creating a simpler, more consistent experience for customers, while reducing complexity across our operations.

We continued to support organisations to move from on premise and private cloud environments to more flexible public and hybrid solutions. This shift is helping customers scale faster, improve performance, strengthen resilience and manage costs more effectively. We also strengthened our public cloud offering through strong partnerships with hyperscalers, including our global partner, Microsoft, providing customers with access to leading technologies and global innovation.

Interest in our data and AI consulting services continued to grow, as organisations increasingly explore how AI can create value. We launched new AI-focused advisory and project accelerator services to help customers unlock more value from their data, accelerate adoption and realise business outcomes more quickly.

We also expanded our partnerships with HPE and Infosys to support the delivery of selected technology services. These partnerships enhance our ability to deliver efficient, high-quality services while giving customers access to global expertise, additional capability, and leading-edge technologies.

1. CCL was Spark's cloud services business.

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Keeping our customers safe online

Spark puts cyber security, customer safety, and privacy at the forefront of everything we do. Creating a resilient, trusted network is key to supporting our strategic 'better network' and 'better customer experience' ambitions.

We invest in the security of our networks, ensure our people undergo regular training, provide our customers with tools and education, and regularly update our policies and frameworks, so that we can keep our customers safe on our network. Spark also has a dedicated team of over 100 cyber security experts working around the clock to identify and disrupt online threats, including scams targeting New Zealanders.

Protecting customers and strengthening trust

Spark plays an important role in protecting our customers from the growing list of threats they face online – including scams, cyber security risks, and objectionable material.

In the past 12 months alone, we have blocked more than half a billion[1] online threats across our network, including more than 1.2 million scam calls, over 11.3 million attempts to access malicious websites, and over 300,000 scam text messages through our SMS firewall. This work is critical to maintaining the trust of our customers and the strength of our brand. However, the work we do to keep our customers safe is largely invisible. This was the genesis behind our new brand campaign and scam education programme in FY26 – which brought to life the significant work we do to intercept scams targeting our customers.

Alongside a new advertising campaign, we launched an online Safety and Security Hub to support our customers, providing up to date scam information, practical tips and support resources. We continue to work with Netsafe and a range of industry and government organisations, including the New Zealand Anti-Scam Alliance, to share intelligence, disrupt scam activity, and improve safeguards for New Zealanders.

Visit the Safety and Security hub: spark.co.nz/safetyandsecurity



Our new brand campaign highlights the role that Spark plays in keeping our customers safe on our network.

1. A subset of this number includes an annual projection of a data measured over a three-month period. With ever-increasing numbers of online threats, it is likely that this number is much higher.

Verified calling

Spark launched a New Zealand-first feature called Verified Call, designed to help customers quickly see when a call is genuinely from Spark.

It comes at a time when impersonation scams are on the rise, with scammers often pretending to be from trusted organisations like Spark to trick people for the purpose of gaining access to personal information.

When Verified Call is activated in the MySpark app, our customers will see Spark's name, logo, a verified badge and the reason for the call on their screen before they pick up, giving them confidence the call is genuinely from Spark.

Spark intends to provide Verified Call as a service to business customers in FY27.

Privacy

We are committed to keeping customers' personal information safe and managing it in ways that align with their expectations. We do this through a strong governance approach, including data ethics and privacy frameworks; and by adhering to relevant laws, including the Privacy Act 2020, the Telecommunications Information Privacy Code 2020 and the Biometrics Processing Privacy Code 2025.

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

As part of our privacy breach process, we assess incidents for severity and any external notification requirements. When required, breaches are reported to the Office of the Privacy Commissioner (OPC).

In FY26 our people reported 167 data breaches for investigation, and we received 10 substantiated privacy complaints from customers. There were no substantiated complaints received through the OPC. More details on our approach to ethics, legal compliance and employee training can be found on page 53.

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

Cyber security

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

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

Recognising the critical role our people play in defending against potential cyber security threats, all our team members are required to undertake regular cyber security training.

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

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Our network and technology

Our network and technology underpin value creation for our shareholders, enabling the products and services that connect our customers and New Zealand. We make significant investments into our network every year to improve coverage, capacity, and resilience. Our customers rely on us to keep them connected in as many places as possible. Creating a better network is a key ambition of our SPK-30 strategy.

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Reliable and trusted network

A reliable and trusted network underpins our ability to support customers, businesses, and communities across New Zealand.

We invest significantly in our mobile and fixed networks to deliver consistent performance, while strengthening resilience and capability to meet future demand. This focus is central to maintaining customer trust and long-term value creation.

Connectivity that's there when our customers need it

Our customers rely on us to keep them connected in as many places as possible.

In FY26, we reaffirmed our network leadership, ranking first for overall mobile network coverage experience and 5G coverage experience, while maintaining a top spot in reliability and availability in the latest New Zealand Mobile Network Experience Report, released by Opensignal (October 2025).

The independent report measures real-world mobile performance across Spark, One NZ, and 2degrees, with Spark outperforming competitors in overall mobile coverage and 5G reach. The results highlight Spark's continued investment in building a network that now connects 99% of the population across New Zealand.[1]

Uplifting network resilience

Reliable connectivity is critical during emergencies, when customers, communities, and emergency services depend on telecommunications networks for essential communications. Natural disasters can place significant strain on network infrastructure, most commonly through loss of power or disruption to backhaul connections linking cell sites to the core network.

To manage these risks, Spark invests in a layered approach to resilience. Most cell sites are equipped with battery back up and generator capability. In FY26, we were awarded a contract by National Infrastructure Funding and Financing (NIFF), in partnership with Connexa to strengthen the resilience of our mobile network by upgrading battery back up at 295 cell towers across Aotearoa. These upgrades will take place in FY27 and extend back-up power to up to 24 hours, which will enable over a million Spark customers to have access to mobile data, text and calls during prolonged outages and support up to a total of 1.7 million addresses in key regions such as Northland, Hawke's Bay, Gisborne, and Nelson to call 111, regardless of their telco provider, when mobile services are disrupted.

295

Cell towers across New Zealand will be upgraded with battery back up in FY27 to strengthen the resilience of our mobile network.

99%

Spark's network now connects 99% of the population across New Zealand.[2]



We also maintain satellite-connected emergency small cells that can be rapidly deployed when fibre backhaul is compromised. We launched satellite-to-mobile services through Starlink to provide an additional connectivity option during disruptions. This service is available to customers on specific plans, however, in the event of a natural disaster we open the service up to all Spark customers. In April, as Cyclone Vaianu impacted parts of the North Island, Marlborough, and the Chatham Islands, Spark made satellite texting available to all Spark customers across these areas as a precaution, so they could stay connected if mobile coverage was disrupted.

In parallel, we are rolling out AI-enhanced network monitoring to detect power loss, manage energy use, and automatically prioritise essential services, such as, calls and texts, to maintain critical communications in an emergency. We also work closely with industry peers, government agencies, and other infrastructure providers through the Telecommunications Forum (TCF) to support coordinated preparedness and response during major incidents.

Spectrum

Spark holds a comprehensive portfolio of spectrum rights in New Zealand, providing flexibility to meet future network demand and deploy new technologies. In FY24, Spark was allocated long term rights to 80 MHz of 3.5 GHz (C band) spectrum, which underpins the delivery of high speed 4G and 5G services nationwide.

In FY25 we signed a long-term partnership agreement with Māori Spectrum and Telecommunications service, Tū Ātea, to secure the rights to use 20MHz of Tū Ātea's C-band spectrum. This spectrum will be deployed across all of Spark's C-band 5G cell sites nationwide for an agreed period of 18 years, enhancing speeds and capacity for customers on Spark's 5G network.

1. Spark's network connects 99% of the population across New Zealand, in areas where people work and live. Population coverage is calculated by measuring the percentage of address points that fall within the predicted coverage area generated by Spark's propagation model.

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New value from advanced technologies

Real-time fraud protection through network APIs

Spark continues to build its network Application Programming Interfaces (API) strategy through global partnerships and working with industry.

APIs enable different apps and services to connect and share information with each other automatically and securely, making digital experiences faster and more seamless for businesses and their customers.

During the year, we signed an agreement with global API platform Aduna and explored other partnerships to support Spark's initial focus on scam and fraud prevention APIs. At the same time, we are also working with our industry peers to make it easier for organisations to connect and use these services across networks.

Within this work, we are focused on creating a trusted network layer that will support real-time identity checks to help prevent fraud. These capabilities will enable simple but important use cases. For example, when a customer makes an online payment, a provider can check in real time that the mobile number is still linked to that customer and has not been taken over, such as through a SIM swap. If something looks wrong, the payment can be paused or stopped. This helps prevent fraud without relying only on SMS one-time passwords.

Spark is working with organisations in areas such as banking, payments, and digital platforms to build these capabilities into everyday services. The goal is to improve security, while making things simpler for end users. The service is expected to be available to customers in FY27.

Leveraging AI to improve our network and technology

During FY26 we further embedded AI across our network and technology operations.

In our network, we are working with our global partner, Nokia, to enhance our operations, leveraging their advanced automation and AI capabilities. This includes a proof-of-concept trial using AI to test automatically adjusting energy use at a small number of cell sites in line with demand.

We are also using AI to simplify how we design and deliver technology. Behind every customer interaction whether online, in store, or through a call centre, sits a complex set of systems that need to work together seamlessly. Traditionally, assessing how a new idea or change might affect them has been a time-consuming and highly specialised task.

In FY26, we deployed ALICE (AI Logic and Insights for Channels Evolution), an AI assistant embedded in Microsoft Copilot and Teams that helps teams navigate this complexity in a simple, accessible way. It allows teams to describe a new initiative in plain language and quickly understand how it would impact Spark's systems, highlighting risks, identifying issues, and suggesting better ways to approach the design.

By transforming what was previously a time-intensive process into an on-demand, workflow, ALICE enables faster, more consistent decision-making. This means faster and better designed technology solutions, and a more reliable experience for our customers.

During the year, we also introduced 'Vibe-e', a collaboration with our global partner, Infosys, that uses AI for coding, and automates software testing so that we can launch new products to our customers faster.

Bringing 5G+ to New Zealand

Demand on mobile networks increases sharply when large crowds gather in one place. In these situations, thousands of devices attempt to connect to the same nearby mobile site at the same time, creating congestion as they compete for limited network capacity.



Spark successfully broadcast a live Synthony performance from Auckland Domain to YouTube using 5G+.

While Spark invests significantly to expand coverage and capacity, there is a finite amount of capacity available at each site. To help manage these high demand moments more effectively, Spark has introduced 5G+.

5G+ is underpinned by network slicing (a capability of 5G Standalone), which allows a mobile network to be divided into dedicated segments for specific uses. Like creating priority lanes on a busy motorway, network slicing enables certain users or applications to access reserved network capacity during peak periods, rather than competing with all other nearby devices.

Spark demonstrated this capability at the music festival Synthony, held at Auckland Domain, broadcasting live performances to YouTube over a dedicated 5G+ network. This showed how 5G+ can support high-quality, real-time video streaming in high congestion environments, reducing reliance on fixed infrastructure, such as fibre, at event locations.

Looking ahead, 5G+ has applications beyond live events. It can support smoother video calls, streaming, and online gaming for households during peak periods, and enable businesses to prioritise critical systems, such as security or payment processing.

Spark plans to launch 5G+ more broadly in FY27.

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Migrating customers off legacy technology onto future-proof alternatives

As technology evolves, retiring legacy infrastructure is essential to maintaining network performance, resilience, and efficiency.

Spark is actively migrating customers from older technologies to modern, future-ready alternatives that better support current and emerging connectivity needs. This transition enables continued investment in our 4G, 5G and fibre networks, while reducing complexity and operating risk.

Completing our 3G network shut down

Spark completed its nationwide shut down of the 3G network at the end of March, marking the closure of all 3G networks in New Zealand.

The shut down follows years of preparation to ensure customers could move to faster, more reliable 4G and 5G technologies.

During this time, we upgraded all 3G-only cell towers to 4G or 5G, and added over 120 new towers. Spark also undertook an extensive, multi-channel approach to contacting customers who may be impacted, from emails, texts, letters, pre-call announcements and bill inserts. A dedicated 3G support team was set up, which handled more than 17,000 calls, helping customers understand what they needed to do to stay connected. Spark sent more than four million notifications to customers to help them get prepared, and more than 150,000 Spark customers used the free SMS or online device checker.

In addition, we invested in an industry-wide mass awareness campaign and partnered with Digital Equity Coalition Aotearoa (DECA) to provide on the ground community support for at-risk and digitally excluded communities with targeted outreach.

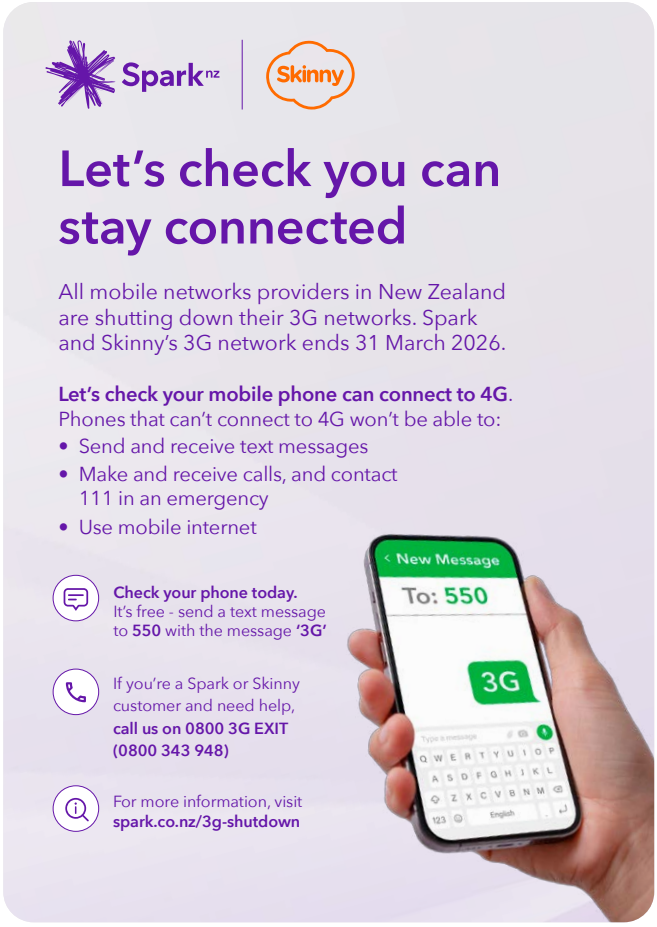
As an additional precautionary measure to keep customers safe, prior to the shut down, Spark also proactively blocked around 300 individual mobile phones that were able to make standard calls, texts and use data over 4G, but could not make emergency 111 calls on the 4G network due to manufacturer-imposed limitations.

Shutting down 3G has reduced Spark's network costs, and enabled spectrum to be freed up for use by our modern 4G and 5G networks. This improves network capacity, coverage and efficiency for Spark, and supports faster speeds, improved reliability and expanded coverage for our customers.

Retiring the Public Switched Telephone Network

The Spark-operated Public Switched Telephone Network (PSTN) is the legacy copper-based network that has traditionally carried landline phone services. Built in the 1980s, it is now rapidly reaching the end of its life.

The majority of New Zealanders have already made the switch to fibre or wireless proactively. In 2017 we had over a million customer lines on the PSTN, and by the end of FY26 only 13,000 remain. As customers move off the PSTN, we are able to decommission legacy PSTN equipment. To date, we have decommissioned almost 85% of our PSTN switches, which has resulted in a significant decrease in our power usage and carbon emissions. Retiring legacy infrastructure supports a simpler, more resilient network and lowers long-term operating risk.



Spark invested in a national ad campaign to ensure customers were prepared for the 3G shut down.

Completing the sale of our data centres

In January, we completed the sale of a 75% interest in our data centre business to Pacific Equity Partners (PEP), creating a new stand-alone company, TenPeaks Data Centres.

The New Zealand data centre market is expected to grow to ~300MW by 2030, driven by accelerating AI adoption, increasing data sovereignty requirements necessitating local storage solutions, and surging enterprise public cloud adoption.

TenPeaks is well positioned to meet this demand through its Auckland development pipeline, with land and resource consents, and site preparation and development progressing for its three large-scale campuses during the year. TenPeaks also continued investing in regional infrastructure, including upgrades and expansion projects in Christchurch, Wellington and Hamilton completed in FY26.

Sustainability remains central to TenPeaks' growth strategy, and its facilities are designed for high energy efficiency and minimal water use.

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Our environment

Sustainability is a key enabler of our SPK-30 strategy. The natural resources we rely on are not just essential to our operations, they're essential to delivering long-term success. By using natural resources responsibly and efficiently, and supporting our customers to do the same, we strengthen the sustainability of our business model, drive operational excellence, and deliver lasting value for all of New Zealand.

Spark subsidiary, Adroit, worked with the Far North District Council and Dryad Networks, to deploy an early wildfire detection system at the Waitangi Endowment Forest and adjoining Waitangi Mountain Bike Park, establishing New Zealand's first fully connected 'smart forest'.

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Commitment to responsible environmental management

Spark's approach to environmental management is integrated into our overarching ESG governance. See page 65.

Our Environmental Policy states our commitment and expectations for our people to consider environmental impacts when making decisions at work.

Environmental reporting

In addition to the high-level summary of our approach to environmental management in this section, we also publish more detailed environmental disclosures across accompanying reports.

Our Climate-related Disclosures Report includes detailed reporting on the impacts of climate change on Spark's operations. This includes our climate-related risks, climate scenario analysis, and reporting our greenhouse gas emissions against our science-based emissions reduction target.

Our detailed GRI Index and ESG performance data can be found in our ESG Data Pack, which includes environmental performance data, including climate, energy, and waste.

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

Performance against our climate commitments

We provide detailed reporting on our performance against climate metrics and targets in our Climate-related Disclosures Report, which includes our FY26 Greenhouse Gas (GHG) Inventory and tracks our year-on-year emissions performance.

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

By the conclusion of FY26, that target was achieved with 71% of our spend with suppliers that have targets, up from 61% in FY25 (see page 38 of our Climate-related Disclosures Report for more details).

Performance against our emissions reduction target (scope 1 and 2)

Emissions reduction does not track in a straight-line trajectory and often occurs in step changes tied to specific initiatives. FY26 included a significant boundary change in our reported emissions following the divestment of our data centre operations to TenPeaks. Our FY20 base year and historical scope 1 and 2 figures have been restated to reflect this new boundary.

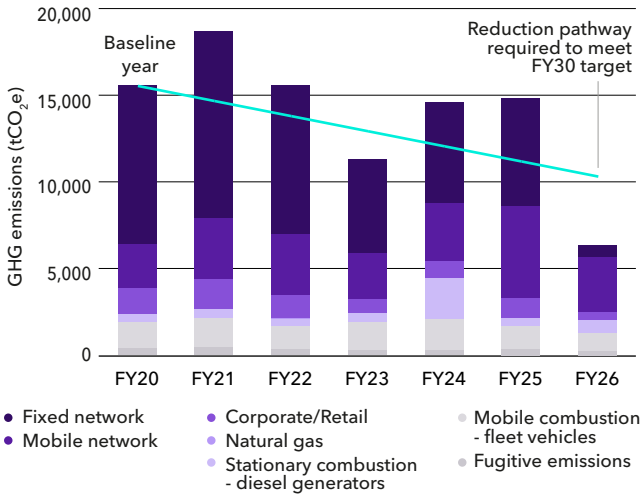
We saw a significant reduction in scope 1 and 2 emissions in FY26, both against our previous year and against our FY20 baseline. Year-on-year emissions reduced 57%, and are now tracking 59% below our FY20 base year, ahead of our FY30 target of a 56% reduction.

Scope 1 emissions dropped 7.8% year-on-year, mainly due to a 20% (255 tCO_2e) decrease in fleet emissions. This was partially offset by a 45% (215 tCO_2e) increase in fugitive emissions, driven by more reactive refrigerant top-ups.

Scope 2 emissions reduced 66% year-on-year. These emissions, related to electricity use which powers our networks and infrastructure, remains our largest overall source of emissions related to our direct operations, at 69% of our total scope 1 and 2 emissions. These emissions are influenced by several factors, including the national grid emissions factor, which decreased 42.4% in the past year. This follows the winter energy crisis experienced in FY25, when reduced hydroelectric generation drove increased reliance on coal-fired generation to meet demand. In FY26, hydro generation recovered, reducing the need for coal and gas generation and easing pressure on the grid emissions factor.

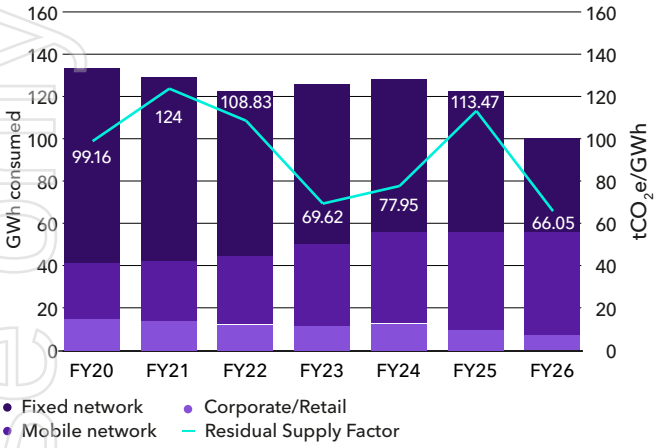
We were also able to reduce our reported scope 2 emissions through our ten-year renewable energy partnership with Genesis Energy, by linking emissions from electricity consumption to new renewable generation.

The partnership matches Spark's energy consumption via Renewable Energy Certificates with new renewable energy generated by the Lauriston solar farm. FY26 was the first reporting period Lauriston was generating for the entire 12 months, enabling Spark to reduce reported market-based scope 2 electricity emissions by 2,270 tCO_2e.



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

Electricity consumption



In the past year we have seen a decrease in electricity consumption linked to our scope 2 emissions. Our electricity consumption is down 18% from 122GWh to 100 GWh. This decrease is largely due to the acceleration of our long-standing programme of network simplification, including the decommissioning of legacy equipment, such as the public switched telephone network (PSTN), which has driven year-on-year reductions in electricity use across our fixed network. These savings offset growth in other areas, such as our mobile network, which is increasing its energy use as we expand coverage of our 5G network.



Over 100 Spark people participated in planting days held at our satellite communications site in Warkworth.

Reducing electronic waste

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

We recycle end-of-life network equipment, with materials separated and processed by local recycling partners. Some components are sent overseas for recycling, reselling, or reusing. In FY26 we recovered 285 tonnes of electronic waste via our e-waste recycling partner, up from 207 tonnes in FY25. We also recover scrap metal and other material from network equipment. In FY26 we recovered 354 tonnes of scrap metal, a slight decrease from 364 tonnes in FY25. Across both categories this represents a 12% increase in materials collection and recovery from FY25.

In FY26 Spark received 29,475 mobile devices for recycling and trade-in, up from 20,828 in FY25. Trade-ins are increasingly popular with our customers, allowing them to unlock value from their older devices, while supporting reuse through refurbishment and resale. Devices that can't be redeployed are stripped for essential materials, which are reused in new products.

Engaging our people behind our sustainability commitment

Sustainability is a core enabler of Spark's SPK-30 strategy and underpins how we create long-term value for New Zealand. Our sustainability framework recognises that meeting our environmental ambitions depends not only on clear goals and governance, but on the active participation of our people. By engaging our workforce, we embed sustainability into everyday decision-making and operational practice.

In FY26, this focus translated into action through two employee planting days at our satellite communications site in Warkworth.

Together, we planted and nurtured more than 2,000 native trees and flax, including mānuka, harakeke and kahikatea. These species play an important role in reducing silt runoff into the surrounding river, estuary and harbour, improving water quality and creating safer habitats for native eels and fish. Initiatives like this demonstrate how empowering our people to contribute directly to environmental outcomes supports delivery of our sustainability ambitions and the long-term objectives of SPK-30.

>100

More than 100 of our people worked alongside the Department of Conservation, Ngāti Manuhiri, and Auckland Council to help restore local biodiversity, reflecting our commitment to partnership and our Māori strategy, Te Korowai Tupu.

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A fire-detection, solar-powered IoT sensor at Waitangi Endowment Forest.

Harnessing the power of technology to improve environmental outcomes

Spark subsidiary, Adroit[1], worked with the Far North District Council and Germany-based Dryad Networks, to deploy an early wildfire detection system at the Waitangi Endowment Forest and adjoining Waitangi Mountain Bike Park, establishing New Zealand's first fully connected 'smart forest'.

Northland's climate has shifted dramatically in the past decade. Longer dry spells, elevated temperatures, and more frequent high-wind events have increased the region's vulnerability to fast-moving fire. Recent peat and scrub fires have burned for weeks, emitted enormous volumes of carbon, and stretched limited firefighting resources.

Traditional detection methods only identify fires once they are visible above the canopy, when a fire may already be burning at a size and intensity that demands a full emergency response.

Adroit's system uses a network of 250 solar powered sensors connected via Spark's IoT network to detect early indicators of fire, including changes in air quality associated with smouldering, enabling faster response in the critical early minutes when a small crew can extinguish a potential wildfire quickly and safely.

By strengthening preparedness and helping protect native biodiversity and valuable ecosystems, along with safeguarding one of New Zealand's cultural landmarks, the project demonstrates how connected technology can enhance resilience to climate-driven hazards.

1. Adroit is a Spark-owned technology business that specialises in real-time environmental IoT monitoring and intelligence.

Remuera Exchange: Smarter infrastructure, lower impact

At our Remuera Exchange, we are demonstrating how targeted upgrades, and real-time data can significantly improve energy efficiency and environmental performance across our network.

As a pilot site for modernising critical infrastructure, Remuera brings together solar generation, smarter design, and advanced IoT monitoring to reduce energy consumption, while improving operational insight.

New solar panels provided through Spark subsidiary, Entelar Group, are already delivering tangible benefits, supplying up to one-third of the site's daily energy needs during peak summer periods. This reduces reliance on grid electricity and lowers the overall emissions associated with our operations.

We have also reconfigured the transmission environment to improve efficiency. By separating active equipment zones from surrounding space, we have reduced the footprint requiring cooling, resulting in a meaningful reduction in power demand.

To support ongoing optimisation, the site is now equipped with multiple real-time monitoring systems that provide detailed visibility of energy use and temperature conditions. These include Packet Power sensors and Spark's IoT Bridge platform, enabling performance data to be captured at frequent intervals and supporting more responsive decision-making.

Looking ahead, we are expanding IoT capability at the site, including the integration of a rooftop weather station to track environmental factors, such as solar irradiance, temperature and wind conditions. Over time, these datastreams will be brought together through our Asset IQ platform, creating a single view of operational and environmental performance.

Remuera serves as a proof of concept for how we can modernise exchanges using data, smart design and existing infrastructure. The insights gained are informing how we scale similar improvements across our network, multiplying both energy savings and operational efficiency over time.



Spark's Autonomous Network Lead, Ulrich Frerk demonstrates a Packet Power sensor which enables real-time power monitoring at the Remuera Exchange.



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Our communities

Earning the trust of our communities and stakeholders is critical to maintaining our licence to operate and the long-term health of our brand and our business, which supports value creation for our shareholders. We work alongside New Zealand communities to harness the power of technology to create a positive digital future for all. Our products and services help our communities to stay connected and enable the provision of community services.

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Championing digital equity

At Spark, our commitment to digital equity starts with our purpose – to help all of New Zealand win big in a digital world.

Digital equity starts with having access to devices and a connection to the internet, but it doesn't stop there. To close the digital divide, our communities need the skills to use technology, trust in the digital world, and the motivation to participate.

Every year, Spark commits a significant amount of funding, alongside internal resources, to achieve our digital equity ambitions and contribute to our communities.

Improving access and affordability through Skinny Jump

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

Jump is delivered by a team of Spark people, alongside a community partner network, which is overseen by the Digital Inclusion Alliance Aotearoa (DIAA) and includes over 300 local organisations nationwide. There are now over 34,913 households across the country who are actively using Skinny Jump. For wireless broadband, an active connection is defined as a customer having used their modems in the last 30 days. However, Skinny Jump customers are more likely to have infrequent internet use as they have to reprioritise their monthly spending when budgets are tight. This is why for Jump, we also measure customers who have used their modem in the last 90 days, and in FY26 this totalled 38,222 households.



Tōnui Collab creates opportunities for kōhine (year 6 – year 9) to come together to develop confidence with a range of technologies.



Tōnui Collab is supported by Spark Foundation and offers digital skills training in marae-based wānanga settings.

In FY26, Skinny Jump continued its key partnerships, including the Ciena Jump for Students Fund, which gives eligible students free Skinny Jump connections until the end of the school year. There are now 1,243 students using the Ciena Jump for Students Fund.

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

In FY26, the commercial value of the data provided to households in need through Skinny Jump, totalled over $9.1 million. Skinny Jump has been designed to operate on a not-for-profit basis – with the revenue generated covering the costs of the free modems, community partner network, product development, and customer care and education.

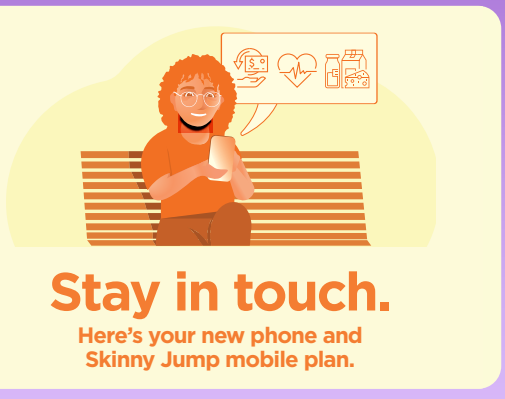
As we look ahead, FY27 will mark 10 years since Skinny Jump was first introduced, a milestone that reflects a decade of partnership, innovation, and commitment to improving digital equity outcomes for whānau across Aotearoa.

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Skinny Jump Mobile

Alongside our core broadband service, in FY26 we piloted a targeted Jump Mobile programme, with support from our partner Nokia. This programme has been designed to support communities experiencing digital exclusion that cannot be solved through home broadband due to lack of a fixed address.

The pilot provided sponsored devices and subsidised mobile access through trusted community partners, including Auckland City Mission, Eastern Refuge Society, Te Tahi Youth, Te Whare Hīnātore, Women's Refuge Palmerston North, and New Zealand Red Cross (Wellington and Masterton) – targeting groups including rangatahi at risk, people experiencing housing instability, and those affected by family violence.



Skinny Jump mobile is designed to support communities experiencing digital exclusion that cannot be solved through home broadband.

Spark Foundation

Spark Foundation leads Spark's work in the community. The Foundation has a single-minded focus on digital equity, and its vision is that no New Zealander is left behind in a digital world. It has focused its strategy on the areas it can make the biggest difference – digital access, digital skills and pathways, and digital wellbeing. We provide funding, advocacy and other resources across these three strategic focus areas, with prioritisation to rangatahi Māori and other youth who are disproportionally impacted by inequity. In FY26, more than 50% of funding was allocated towards initiatives that support Kaupapa Māori-based initiatives.

In FY26, Spark Foundation donated $1.6 million towards funding digital equity-focused community projects.

Funding is allocated through a strategic partnership approach, with most partners funded for a minimum of two years. Spark Foundation also funds one-off grants and advocacy projects that deliver better digital equity outcomes.

During the year, the Foundation continued to invest in eight multi-year partnerships and established two new partnerships with Netsafe and the South Auckland Creative & Tech Hub (SACTH). Netsafe is a long-standing Spark partner, with a shared focus on advancing online safety and wellbeing, while SACTH is an initiative supporting rangatahi (youth) through creative and technology pathways.

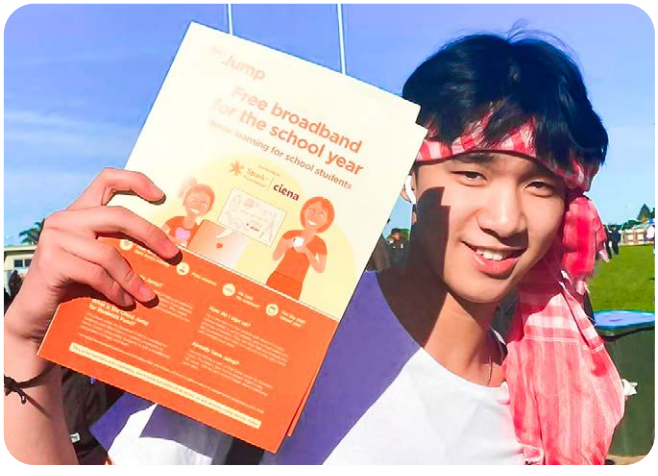
More information about Spark Foundation:
spark.co.nz/spark-foundation

34,913

Households across the country actively using Skinny Jump.

1,243

Students using the Ciena Jump for Students Fund.



Ciena Jump for Students Fund gives students free Skinny Jump connections for the school year.

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Tūrama Pathways creates career opportunities in technology for young people, with a focus on groups that have traditionally been under-represented in the industry.

Connecting our people to our communities

Spark encourages our people to give back to the community through our Spark Give programme, which matches employee charitable donations (up to a total pool of $250,000 per annual year) and Spark Volunteer programme, which provides all Spark people with one day leave a year to commit to volunteering.

You can find more information on these programmes and participation levels in our ESG Data Pack.

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

Tūrama Pathways

Tūrama is a pathways programme, in collaboration with Spark, designed to create career opportunities in technology for young people who are interested in entering or advancing in this field, with a focus on groups that have traditionally been under-represented in the industry such as Māori, Pasifika and women.

The programme has a holistic approach, developed to ensure that participants receive a well-rounded and meaningful learning experience that enables them to successfully transition into the workforce.

During FY26, Tūrama Pathways held two cohorts of internships in partnership with Waikato Tainui and GirlBoss. Since the inaugural cohort, 12 graduates have secured longer term employment opportunities at Spark.

Partnering with GirlBoss NZ to expand Tūrama Pathways

In March, Spark partnered with GirlBoss NZ to select 11 exceptional young women as part of a Tūrama Pathways internship cohort.

With women making up just 27–29% of Aotearoa's digital IT workforce, this partnership enables Tūrama Pathways to reach GirlBoss NZ's community of more than 17,500 young women across Aotearoa to explore careers in science, technology, engineering, and mathematics (STEM) and entrepreneurship.

In addition to work experience, the programme also brought together senior Spark leaders as mentors to guide and support the interns over the eight-week internship.



In FY26, Tūrama Pathways partnered with GirlBoss on an internship programme at Spark.

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Our people

Our people are essential to our business, and our culture is an important enabler of our SPK-30 strategy. We are focused on creating a high-performance culture that offers our people leading-edge learning and development and the opportunity to grow their careers in an inclusive environment.

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People engagement

We measure engagement twice a year to understand how our people experience Spark, where we are making progress, and where we need to focus our efforts. We use a globally recognised engagement measure that covers pride in working at Spark, whether our people would recommend Spark as a great place to work, and their level of motivation and likelihood of staying with us in the near future. Feedback from these surveys is shared openly across the business and our teams are encouraged to have conversations about what is working well and what could be improved. These insights help leaders and teams strengthen performance, inclusion and the overall employee experience.

At the end of FY26 our people engagement score was 61%, which is up from 50% a year ago.

Our survey also showed strong responses on key measures, with 89% of our people saying they can clearly see how their work contributes to better outcomes for our customers, and 81% knowing how their work contributes to the goals of Spark. Feedback on wellbeing and inclusion-related topics were also strong, with 88% agreeing that their leader cares about their wellbeing, 82% saying they bring their authentic self to work, and 87% feeling like they are a part of a team. These results reflect our continued investment in leadership capability, inclusion and creating an environment where people can contribute, grow and perform at their best.

61%

Our people engagement score is up from 50% a year ago.

A key focus during FY26 was strengthening the connection between our strategy, culture and the everyday experience of working at Spark. 74% of employees reported understanding how SPK-30 applies to their role, while 79% understood Spark's new ways of working standards.

While engagement improved significantly during FY26, future confidence, career development opportunities, and leadership capability remain areas of focus. These priorities will continue to shape our work in FY27 as we build a culture that supports high performance, adaptability and the successful delivery of SPK-30.

Engaging our people behind our SPK-30 strategy

Our people play a vital role in delivering Spark's strategy and driving the performance of the business. In FY26, we focused on helping our people clearly understand where Spark is heading and how their work contributes to our success.

We launched our five-year strategy, SPK-30, in a way that brought people together, rebuilt confidence, and provided a clear sense of direction at a time of significant change. Our leaders spent time discussing the strategy openly at an all-company strategy launch event, with follow-up sessions held in the weeks that followed to reorient our teams to our new ambitions.

We deliberately invested in ensuring that employees in frontline, retail, and offshore roles had the same access to information as office-based teams. This approach strengthened alignment, lifted engagement, and reinforced the message that Spark's long-term success depends on our people being informed, motivated, and focused on delivering better outcomes for our customers.



We brought our people together at Auckland's Spark Arena to launch our SPK-30 strategy.

Investing in learning and development

Continuous learning is central to how we develop our people at Spark. We focus on building capability and adaptability, so our people understand customer needs, bring diverse perspectives, respond quickly to change, and sustain high performance as our business evolves.

In FY26, we continued to invest in building future-ready skills across our business, complementing the learning opportunities available through Te Awe, our internal skills hub. This included focused development in areas critical to Spark's success, including Artificial Intelligence, customer-centricity, leadership and inclusion, helping our people strengthen the capabilities needed to respond to changing customer expectations, emerging technologies and evolving business needs.

Supporting an AI-capable workforce

As AI becomes more embedded across our operations, we are equipping our people with the skills to use it effectively.

Our people have access to a range of AI tools, including third-party office productivity products such as Microsoft CoPilot, Spark-specific applications to support with information retrieval and summarisation, and AI assistants that are curated to specific roles, such as our contact centre call-summarisation platform, Bravety, or coding and testing tool, Vibe-e.

Our people must complete an AI learning module as part of their mandatory training which ensures our people know how to use these tools safely and ethically in line with Spark's AI principles and policies.

Cultivating adaptive leaders to build high-performing teams

We continued to invest in targeted development experiences, coaching and expert-led learning, while embedding Spark's Leadership Standards across our Senior Leadership team. This has created greater clarity around the behaviours and capabilities required to lead successfully at Spark. Together, these investments strengthen our ability to build high-performing teams and deliver our strategic priorities.

During the year we launched Mobilise, an inclusive leadership programme designed to strengthen leaders' ability to build high-performing teams through inclusive leadership practices. The programme focuses on building leaders' confidence, capability and allyship skills, helping them create environments where diverse perspectives are valued, people can contribute fully, and teams can achieve stronger performance outcomes.

As we look to FY27, our focus will be on further strengthening leadership capability and future-ready skills, including the next phase of our adaptive leadership approach, ensuring our people and leaders are equipped to navigate complexity, accelerate performance and deliver on Spark's SPK-30 ambitions.



Over 190 kids of Spark employees attended our AI for Kids holiday workshops.

Upskilling our people and communities through Te Awe

In FY26, our skilling centre Te Awe continued to build workforce capability by upskilling our people.

We continued to offer programmes through our partners, such as Microsoft AI training for CoPilot and Github, as well as Microsoft Cloud. In the past year, 574 of our people have been through one of these programmes.

Alongside upskilling our people, Te Awe is helping equip New Zealanders of all ages with the critical digital skills needed to participate in a digital workforce.

Building on the Generative AI Foundations micro-credential launched last year in partnership with Open Polytechnic and Te Pūkenga, in FY26 we launched a Level 5 micro-credential, Artificial Intelligence for Business Leaders, to support leaders to integrate Generative AI into their business strategies and drive productivity. It can be completed online in 10 weeks with approximately five hours per week, with intakes each month, making it ideal for personal or professional development. Over 1,000 New Zealanders have completed certifications across the two micro-credentials so far.

During the year, we also ran an AI for Kids Workshop, where over 190 children of Spark employees completed their AI Explorer licenses, marking their completion of an immersive AI learning experience at Spark, and teaching them how to explore the world of AI safely.

Through Te Awe, we also launched 'Immerse', a programme that provides opportunities for our team members who work in roles that aren't customer-facing to spend time with real customers – helping to drive better understanding and more innovative solutions that are focused on customer needs.

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Health, safety, and wellbeing

Spark's health and safety management system is focused on continuous improvement and covers all Spark employees and contractors working at Spark sites.

During FY26 no Spark employee or contractor suffered serious injury or death whilst at work. Our TRIFR (Total Recordable Incident Frequency Rate) decreased to 2.35 per million hours worked, with strong partnering support for early injury management through Howden Care and Habit Health. No notifiable events were reported under current New Zealand health and safety legislation.

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

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

We also continued our partnership with Clearhead – a wellbeing app that provides access to a range of online tools and resources, as well as specialised care with psychologists and counsellors.

Diversity, equity, and inclusion

Diversity, equity, and inclusion are central to our business strategy, empowering us to better serve our broad and varied customer base throughout New Zealand.

In FY26, we strengthened our approach to inclusion launching the Belonging Index as our primary measure and launching Mobilise, an inclusive leadership programme.

The Belonging Index developed out of work Spark pioneered with Champions for Change and was introduced this year as Spark's primary measure of inclusion, providing a clear view of whether our people feel valued, respected, safe and able to contribute fully at work. Our initial target was for this to reach 80% which we met in our May employee survey – this means 80% of people agree with statements relating to their feeling of belonging at Spark.



Spark team members celebrating Diwali at Spark City in Auckland.

Mobilise is designed to build leaders' confidence, capability and allyship skills so they can create more inclusive teams and workplaces. As part of our inclusion strategy, the programme equips leaders to champion inclusion in everyday decisions and behaviours, helping make belonging a lived experience across Spark. This programme will continue through FY27.

We continue to report on our diversity performance annually and have targets to improve across our business which remain important indicators of progress.

We also take the time to celebrate the things that make our teams unique through our 'Blue Heart' programme. In FY26, we celebrated many cultural events that are important to our people, such as Matariki, Diwali, Lunar New Year, Eid, and Pasifika language weeks.

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

Te Korowai Tupu

Our Māori strategy, Te Korowai Tupu, guides Spark's cultural capability in te ao Māori and strengthens how we engage with our people, our customers and the communities we serve, particularly iwi.

During FY26 we continued to embed te ao Māori principles across our business to strengthen cultural integrity and deepen relationships with mana whenua. We developed a kaupapa Māori playbook for our strategic global partners to support culturally grounded ways of working and introduced all new Spark employees to Te Korowai Tupu as part of their induction experience.

We also designed tikanga Māori recruitment resources to support more inclusive attraction and hiring practices and established a workforce management framework in partnership with Tū Ātea to support sustainable Māori talent pathways.

We continued to embed an understanding of Māori data sovereignty amongst our people, through Te Kāpehu Whetū – an internal resource that supports our people to navigate the considerations of Māori for tino rangatiratanga (sovereignty) and mana motuhake (self-determination) in an increasingly data-driven world.

Across the year, we celebrated Waitangi Day, Matariki, and Te Wiki o te Reo Māori at Spark, encouraging engagement with kaupapa Māori and building our people's confidence and capability in te reo Māori.

As part of Te Korowai Tupu, we continue to foster positive relationships with iwi, and in FY26 we established a new partnership with Ngāi Tai ki Tāmaki to plan the future of our network communications site at Musick Point in Auckland's Bucklands Beach. We also partnered with local iwi Ngāti Manuhiri in Warkworth on a project to restore biodiversity at Spark's satellite station in the area.

Our diversity and inclusion performance

Over the past year we continued our focus on improving female representation to support our 40:40:20 representation target Spark-wide, which refers to 40% men, 40% women, and 20% of any gender.[1] In FY26, female representation across Spark increased to 37%, up from 35% in FY25.

As at 30 June 2026, our Leadership Team had a 37.5% female and 62.5% male split and our Board had a 50% female and 50% male split, with four female directors and four male directors.

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

Gender composition by role as at 30 June 2026 (with headcounts)

There are 30 people who have not provided/prefer not to disclose their gender.

			Gender[2]				
		Number of people	Female %	Male %	Female #	Male #	Gender diverse
Directors	**FY26:**	**8**	**50%**	**50%**	**4**	**4**	
	FY25:	1	-7%	7%	4	3	
Leadership Team[3]	**FY26:**	**8**	**37.5%**	**62.5%**	**3**	**5**	
	FY25:	-2	-13%	13%	5	5	
Other leadership roles[4]	**FY26:**	**48**	**40%**	**60%**	**19**	**29**	
	FY25:	-14	-6%	6%	28	34	
Permanent starters	**FY26:**	**312**	**41%**	**59%**	**129**	**183**	
	FY25:	-85	-6%	6%	189	208	
Permanent leavers	**FY26:**	**914**	**67%**	**33%**	**611**	**299**	
	FY25:	-575	38%	-38%	437	1,050	
Total[5]	**FY26:**	**3,423**	**37%**	**63%**	**1,244**	**2,135**	**7**
	FY25:	-626	2%	-2%	1,405	2,576	10

Age distribution by role (with headcounts)

		Age		
	Number of people	Under 30 years old	30 – 50 years old	Over 50 years old
Directors	**8**	**0%**	**12.5%**	**87.5%**
	1	No change	-2%	2%
Leadership Team[3]	**8**	**0%**	**50%**	**50%**
	-2	No change	No change	No change
Other leadership roles[4]	**48**	**0%**	**58%**	**42%**
	-14	No change	No change	No change
Permanent starters	**312**	**33.5%**	**56.5%**	**10%**
	-85	-5%	2%	3%
Permanent leavers	**914**	**9%**	**41%**	**50%**
	-575	5%	-26.5%	21.5%
Total[5]	**3,423**	**13%**	**59%**	**28%**
	-626	-2%	-1%	3%

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

1. The "20" in the 40:40:20 ratio refers to the remaining portion of a group or team that can be filled by any gender including male, female, non-binary, and other gender identities, allowing for further diversity and inclusion beyond the 40/40 split.
2. For the purposes of complying with NZX Listing Rule 3.8.1(c) no directors or members of the Leadership Team self-identify as gender diverse.
3. Includes the CEO who is also included as a Director in the line above. The Leadership Team is considered 'senior managers' for the purposes of the Financial Markets Conduct Act 2013, 'senior executives' for the purposes of the ASX Corporate Governance Council's Principles and Recommendations and 'officers' for the purposes of NZX Listing Rule 3.8.1(c).
4. Substantive roles that report directly to members of the Leadership Team.
5. Includes non-executive directors and employees who have not provided/prefer not to disclose gender. Spark's employee headcount, including our CEO, is reported as 3,416.

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Reducing our gender pay gap

For several years Spark has focused on reducing its overall gender pay gap and made significant progress since 2020. We are pleased to see further progress has been made with our median pay gap falling from 23% in FY25 to 21% as at 1 July 2026 (down from 28% in FY22). This progress reflects our focus on partnerships, pathways and practices to improve female representation and progression across the business.

We continue to target ongoing reductions in our pay gap and these targets were incorporated into our long-term incentive schemes in FY23-FY25 covering the period to 30 June 2027 with a target of 16%.

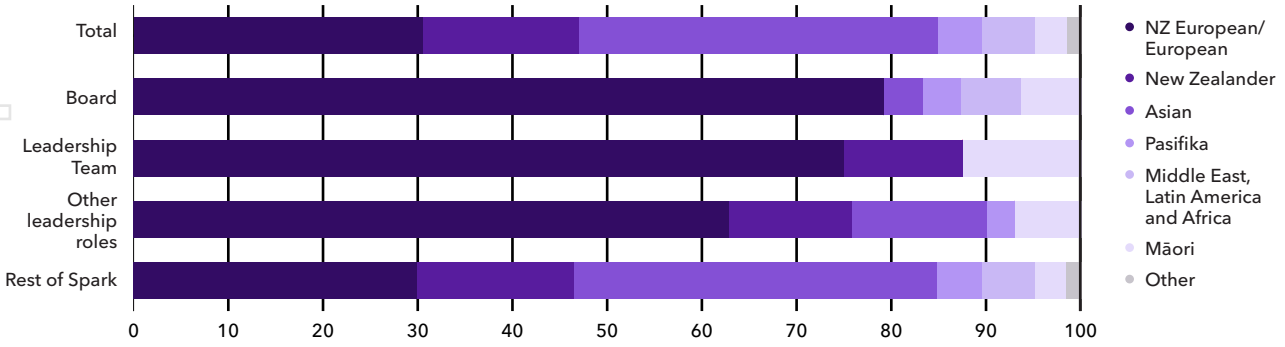
Category	Number of employees in category	Gender gap: mean[1]	Gender gap: median[2]
Leadership:	**FY26: 56 (34 Male, 22 Female)**	**FY26: -1%**	**FY26: 8%**
CEO, Leadership Team and substantive roles that report directly to members of the Leadership Team	FY25: 72 (39 Male, 33 Female)	FY25: 4%	FY25: 18%
Technology:	**FY26: 1,543 (1,179 Male, 364 Female)**	**FY26: 8%**	**FY26: 11%**
employees who work in technology-focused areas of the business	FY25: 2,001 (1,552 Male, 449 Female)	FY25: 10%	FY25: 14%
Customer Channels:	**FY26: 732 (363 Male, 369 Female)**	**FY26: 3%**	**FY26: 0%**
people primarily employed within our contact centres and retail operations	FY25: 791 (394 Male, 397 Female)	FY25: 3%	FY25: 0%
Rest of Spark:	**FY26: 1,048 (559 Male, 489 Female)**	**FY26: 17%**	**FY26: 19%**
including corporate, product, marketing, and customer units	FY25: 1,117 (591 Male, 526 Female)	FY25: 18%	FY25: 18%
Total[3]		**FY26: 13%**	**FY26: 23%**
		FY25: 11%	FY25: 23%

1. Pay gap = (mean male salary - mean female salary)/mean male salary
2. Pay Ratio = (median male salary - median female salary)/median male salary
   Calculated using hourly On Target Earnings or Total Base Remuneration plus Short-Term Incentive Target values as at 30 June 2026.
3. Gender diverse individuals and those who have not provided or prefer not to disclose their gender were excluded from the analysis.

Focusing on improving ethnic representation

In FY26, we continued to focus on attracting, retaining, and progressing employment of a diverse range of people across our organisation. 79% of our people have shared their ethnicities, with 165 unique ethnicities identified. This diversity contributes strongly to our workplace culture.

In FY26, Māori and Pasifika represented ~8% of our workforce. This has remained unchanged from the previous year. Improving Māori and Pasifika representation continues to be a priority as we seek to better reflect New Zealand's changing demographics and the diversity of our customers.



Percentages based on permanent and fixed-term employees at Spark; employees as of 30 June 2026 who had provided ethnicity data (n=2,715). NZ European/European includes all European ethnicities (e.g. British, German, and Australian European). Previously we have grouped 'New Zealander' into this category – but as this could refer to anyone who self identifies as a New Zealander. We have chosen to include New Zealander as a separate category this year. Spark collects information on main and other ethnicity where an individual identifies with more than one ethnicity. Consistent with the Champions for Change methodology, where an individual reports more than one ethnicity, these are represented equally (e.g. two ethnicities represented as 0.5 each).

Remuneration Report

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A note from David Havercroft
Chair of the HRCC

Kia ora,

On behalf of the Board and the Human Resources and Compensation Committee (HRCC), I am pleased to present Spark's Remuneration Report for the year ended 30 June 2026.

Spark and its subsidiaries directly employ more than 3,400 people across New Zealand, spanning corporate offices, retail stores, network operations and technical environments. In addition to this we have several hundred people who work within our partner organisations, both in New Zealand and in global teams, as well as other contractors and people employed by our Spark Business Hubs.

Our approach to remuneration is designed to remain competitive in a dynamic talent market, while ensuring affordability and long term sustainability. We offer a comprehensive employment package that combines a competitive base salary with a highly valued range of benefits for our people.

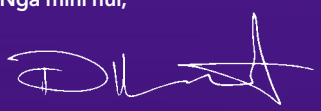
For a defined group of senior leaders and employees with enterprise wide accountability, variable remuneration forms a key component. The Short Term Incentive (STI) Scheme in FY26 continued to evolve with a clear focus and weight on financial outcomes that benefit our shareholders. We introduced a free cash flow target alongside EBITDAI, and in line with SPK-30, mobile service revenue growth was included as a key strategic priority, alongside our focus on better network and customer experiences.

Our Long Term Incentive (LTI) Scheme remains focused on rewarding the delivery of sustained shareholder value, with the use of both relative and absolute total shareholder return measures as core performance hurdles. Following a detailed review of these schemes for FY26 targets and measures, the Committee has kept similar measures in place for FY27.

The HRCC continues to maintain a deliberate focus on governance, transparency, and alignment to shareholder outcomes. Remuneration frameworks are regularly assessed against external market benchmarks and internal performance outcomes to ensure they remain fit for purpose and support Spark's strategic direction.

I would like to acknowledge and thank all our Spark people for their hard work in executing the first year of our SPK-30 strategy. I look forward to FY27 as we continue to create a strong culture of high-performance and delivery.

Ngā mihi nui,



David Havercroft
Chair of the HRCC

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Remuneration at Spark

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

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

Fixed remuneration

All Spark employee packages include a fixed remuneration component that is set based on contribution, experience, and market relativities. Fixed remuneration consists of base salary.

KiwiSaver sits outside fixed remuneration and as such, employees with KiwiSaver receive employer contributions on top of base salary and incentives. A number of Spark-funded benefits, including medical and life insurances, are also available to eligible employees on top of fixed remuneration.

Short-term incentive schemes

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

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

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

FY26 Short-Term Incentive Scheme outcomes

For FY26, substantively all STI participants shared the same Spark Group targets, comprising of EBITDAI, free cash flow, mobile service revenue, customer experience, and network leadership measures. The on-target percentages are provided in the table below. Where the result of a performance metric falls below a specified threshold, there is no payment for that proportion of the STI. Performance at threshold is paid at 50%, on target performance at 100% and achieving stretch targets can scale the payout up to 200% – performance in between these levels is calculated on a straightline basis.

The FY26 Group performance outcome, as approved by the Board, is summarised in the table below with a 90.5% outcome for STI payments.

Performance metric	%	Target	Outcome	% Outcome
Group EBITDAI	30%	$1,047m	$1,035m	21.0%
Free cash flow	20%	$310m	$308m	19.0%
Strategic growth in mobile service revenue	30%	$996m	$998m	35.5%
Customer experience – Consumer and SME iNPS	10%	+42 (iNPS)	+42	10.0%
Network Leadership (Open Signal coverage positioning – at 30 June 2026)	10%	#1 outright coverage nationally	Achieved	5.0%
		#1 outright reliability nationally	Not achieved – Joint #1	
		Joint #1 reliability Auckland	Achieved	
Total payment	**100%**			**90.5%**

FY27 Short-Term Incentive Scheme target

The mechanics of the FY27 STI will be the same as those for FY26. Group results will be the main determinate of the STI pool, with substantively all participants sharing the same Group measures. The FY27 group measures will be a combination of EBITDAI, free cash flow, mobile service revenue, customer experience, and network leadership measures.

Measure	Weighting
Core financial metrics (EBITDAI and free cash flow)	50%
Strategic growth in mobile service revenue	30%
Customer experience and network leadership	20%

Long-term incentive schemes

Spark believes that some senior leaders should have part of their remuneration linked to the long-term performance of the company, so for the Leadership Team and a select group of senior leaders, a long-term incentive forms part of their remuneration packages. Spark's Long-Term Incentive targets focus on total shareholder return, as well as environment and social governance targets (FY23–FY25 only). In FY26, Spark operated one main scheme: the Spark New Zealand Long-Term Incentive Scheme (LTI).

FY23 Long-Term Incentive Scheme outcome

The Spark Long-Term Incentive Scheme is issued annually with a three-year vesting period. This means the grant vesting in FY26 was issued in FY23 (September 2022). Only 6.25% of options from the FY23 scheme vested in FY26 as the primary Absolute TSR target, worth 75% of the performance weighting, alongside greenhouse gas emissions and gender pay gap targets, were not achieved. ESG targets were independently audited.

Grant year	Securities	Performance period	Weighting	Performance measures	Hurdle	Outcome	% of options vested
FY23	Options	September 2022 – September 2025	75%	Absolute Total Shareholder Return (TSR) hurdle – Spark's cost of equity +2% compounding	35.4%	-41%	0%
			12.50%	Median gender pay gap	18%	22.70%	0%
			6.25%	Reduction in absolute Scope 1 and Scope 2 GHG emissions against baseline GHG performance	28%	2.1% increase	0%
			6.25%	Percentage of Suppliers by Spend have established Supplier SBTs	60%	61%	6.25%
Total							**6.25%**

FY26 and FY27 long-term incentive schemes

FY26

For FY26, members of the Leadership Team (including the CEO) and selected senior leaders were granted options under the Spark LTI. Under the scheme, participants were granted options at the start of the three-year vesting period. The number of options granted equalled the gross LTI value divided by the volume weighted average price of Spark New Zealand shares for the 20 days prior to the grant date. Subject to satisfaction of each performance hurdle and continued employment, at vesting in three years' time the portion of options associated with each achieved target convert to Spark shares based on a zero exercise price. Where a target is not met the associated portion of options simply lapse.

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

Measure	Target	Weighting
Absolute Total Shareholder Return (aTSR)	Cost of equity + 1% compounding	50%
Relative Total Shareholder Return (rTSR)	Upper quartile performance against the NZX20 (excluding Spark). Threshold for this measure is median performance against this group which would vest 25%	50%

FY27

For FY27, members of the Leadership Team, including the CEO, and selected senior leaders will be granted options under a similar scheme as FY26, with performance measures relating to TSR performance hurdles.

Vesting of the FY27 LTI grant (issued in September 2026) is contingent on participants' continued employment with Spark through to September 2029, with vesting depending on meeting or exceeding set performance measures which are the same as the FY26 scheme. Fifty percent of the allocated shares will vest based on absolute Total Shareholder Return (aTSR) exceeding cost of equity + 1% (compounding annually) over the vesting period and 50% will vest based on performance relative TSR (rTSR) against NZX20 comparators. TSR is a measure of share price appreciation and dividends paid over the three-year period of the grant.

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

FY27 transformation delivery incentive

A one-off transformation delivery incentive was established last year as an equity-based incentive for a select group of individuals within the business, including our Leadership Team. This one-off medium-term incentive will vest in September 2027 subject to achieving partnering and operating model targets related to our transformation programme in FY27 as well as share price and exit run rate cost gateways.

1. Our science-based emissions reduction target, which has received verification by the Science Based Targets initiative (SBTi) includes a commitment to reduce our scope 1 and 2 emissions by 56% by FY30 against a FY20 baseline year.

Forming part of the financial statements

Employee remuneration

The table below shows the number of employees and former employees, not being directors of Spark, who, in their capacity as employees, received remuneration and other benefits during FY26 totalling NZ$100,000 or more.[1]

Range	Current	Former	Total
$100,000 – $110,000	233	46	279
$110,001 – $120,000	182	27	209
$120,001 – $130,000	177	19	196
$130,001 – $140,000	199	6	205
$140,001 – $150,000	191	11	202
$150,001 – $160,000	164	6	170
$160,001 – $170,000	166	6	172
$170,001 – $180,000	144	7	151
$180,001 – $190,000	104	6	110
$190,001 – $200,000	68	8	76
$200,001 – $210,000	71	8	79
$210,001 – $220,000	40	8	48
$220,001 – $230,000	37	6	43
$230,001 – $240,000	25	7	32
$240,001 – $250,000	25	1	26
$250,001 – $260,000	14	4	18
$260,001 – $270,000	18	0	18
$270,001 – $280,000	9	3	12
$280,001 – $290,000	10	3	13
$290,001 – $300,000	12	0	12
$300,001 – $310,000	5	2	7
$310,001 – $320,000	8	1	9
$320,001 – $330,000	8	0	8
$330,001 – $340,000	6	0	6

Range	Current	Former	Total
$340,001 – $350,000	4	1	5
$350,001 – $360,000	1	0	1
$360,001 – $370,000	1	1	2
$370,001 – $380,000	0	1	1
$380,001 – $390,000	2	1	3
$390,001 – $400,000	3	0	3
$400,001 – $410,000	1	1	2
$410,001 – $420,000	2	0	2
$420,001 – $430,000	2	0	2
$430,001 – $440,000	3	0	3
$440,001 – $450,000	1	0	1
$450,001 – $460,000	1	0	1
$470,001 – $480,000	1	0	1
$480,001 – $490,000	1	0	1
$490,001 – $500,000	1	1	2
$500,001 – $510,000	0	1	1
$540,001 – $550,000	1	2	3
$590,001 – $600,000	0	1	1
$640,001 – $650,000	2	0	2
$720,001 – $730,000	1	0	1
$780,001 – $790,000	0	1	1
$880,001 – $890,000	1	0	1
$930,001 – $940,000	0	1	1
	1,945	**197**	**2,142**

1. The table includes base salaries, short-term incentives and vested long-term incentives. The table does not include: amounts paid after 30 June 2026 relating to FY26; long-term incentives that have been granted and have yet to vest (based on grant values, the total value of which was NZ$9.6 million as at 30 June 2026); product and service concessions received by employees; contributions paid towards health and other insurances; and contributions paid to the Government Superannuation Fund (a legacy benefit provided to a small number of employees).

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Leadership Team remuneration

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

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

Remuneration mix

The table below shows the standard FY27 remuneration mix for the Leadership Team expressed as a percentage of fixed remuneration. The LTI values represent the maximum LTI value. The STI scheme is expressed at target, with payment range from no payment, where no target thresholds are met, to a maximum payment of double the target value, where all stretch targets are met. Leadership Team members in role in FY25 also participated in our FY27 transformation delivery incentive, which is a non-recurring component of remuneration.

Leadership Team remuneration

Long-Term Incentive	40% of base
Short-Term Incentive	40% of base
Salary	Base

Performance evaluation

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

CEO remuneration

Remuneration policy, strategy, and governance

CEO, Jolie Hodson's remuneration package reflects the scope, risk and complexity of her role and is set by the Board with reference to the remuneration of CEOs of similarly sized organisations. For FY27 the Board has approved a 3.4% increase in the CEO remuneration package.

In FY26, the Board approved the CEO's participation in the FY27 transformation delivery incentive, which is a one-off non-recurring equity-based scheme worth 20% of base salary. Subject to achievement of transformation-related performance targets in FY27 the options would vest in September 2027.

CEO remuneration FY26

For FY26 the CEO's remuneration package comprised a fixed cash component, an at-risk long-term incentive, to be awarded under the Spark LTI scheme, and an at-risk short-term incentive. The targets and operation of the CEO's LTI and STI are the same as those applied to other Spark executives and more fully described under *Short-Term Incentive schemes* and *Long-Term Incentive schemes* on pages 45 and 46. The construct of the CEO's remuneration package is such that 60% of her remuneration package is at risk. The table below shows the at target remuneration mix:

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

The CEO is also expected to maintain a holding of Spark shares as set out on page 51 of this report.

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Remuneration components

Short-Term Incentive Scheme

The CEO is eligible for an annual cash-based short-term incentive, subject to the achievement of specific performance objectives set by the Board based on Spark's strategy and business plan for the financial year. These objectives will be a combination of financial and non-financial measures. This is covered in more detail in the earlier STI scheme section.

The Board assesses the CEO's performance at the end of the financial year to determine the actual payment value of her short-term incentive, which is in the range of 0% to 200% of her target value.

The FY26 Group performance outcome, as approved by the Board and applicable to the CEO, is summarised as follows:

Performance metric	%	Target	Outcome	% Outcome
Group EBITDAI	30%	$1,047m	$1,035m	21.0%
Free cash flow	20%	$310m	$308m	19.0%
Strategic growth in mobile service revenue	30%	$996m	$998m	35.5%
Customer experience – Consumer and SME iNPS	10%	+42 (iNPS)	+42	10.0%
Network Leadership (Open Signal coverage positioning – at 30 June 2026)	10%	#1 outright coverage nationally	Achieved	5.0%
		#1 outright reliability nationally	Not achieved – Joint #1	
		Joint #1 reliability Auckland	Achieved	
Total payment	**100%**			**90.5%**

Long-Term Incentive Scheme

For FY26 the CEO's annual LTI was granted as share options under the Spark Long-Term Incentive Scheme described under *Long-Term Incentive Scheme* on page 46.

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

Performance hurdles

Performance hurdles apply to long-term incentives granted to the CEO. The hurdles are agreed by the Board and set a minimum level of performance that is required to be achieved over the period of each grant, for the LTI to be eligible to vest. Vesting of the FY26 LTI grant (issued in September 2025) is contingent on the CEO's continued employment with Spark through to September 2028 and meeting or exceeding set performance measures. 50% of the allocated shares will vest based on absolute Total Shareholder Return (TSR) exceeding cost of equity + 1% (compounding annually) over the vesting period. 50% will vest based on performance relative TSR against NZX20 comparators. TSR is a measure of share price appreciation and dividends paid over the three-year period of the grant.

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

CEO termination

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

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

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

CEO remuneration

The following table details the nature and amount of remuneration paid to Jolie Hodson as CEO during the last two years.

	Fixed Remuneration			Pay-for-performance remuneration			
$	Salary paid	Employer KiwiSaver[1, 2]	Subtotal	Short Term Incentive (STI)[3]	Long Term Incentive[4]	Subtotal	Total Remuneration
FY26	$1,266,900	$65,075	$1,331,975	$859,908	$26,368	$886,276	$2,218,251
FY25	$1,266,900	$37,042	$1,303,942	–	–	–	$1,303,942

1. Excludes value of employee benefits, including Spark mobile and broadband credit, life insurance and medical insurance (equal to an amount of $7,275).
2. FY26 includes Kiwisaver contributions paid on FY26 STI.
3. FY26 STI earned was 90.5% of the target award.
4. FY26 LTI was issued in FY23. 11,180 shares vested or 6.25% of the maximum award and 167,690 shares lapsed. FY25 LTI was issued in FY22. 189,846 shares lapsed in full with 0% awarded for the period.

FY27 CEO remuneration structure

The table outlines the target CEO remuneration for the FY27 year (not all of which will be payable in FY27).

	Fixed Remuneration			Pay-for-performance remuneration[3]			
$	Base salary	Employer KiwiSaver[1]	Subtotal	Short Term Incentive (STI)	Long Term Incentive[2]	Subtotal	Total Target Remuneration
FY27	$1,310,000	$79,887	$1,389,887	$982,500	$982,500	$1,965,000	$3,354,887

1. FY27 includes Kiwisaver contributions if STI paid at target value but excludes value of employee benefits, including Spark mobile and broadband credit, life insurance and medical insurance.
2. The FY27 Long-Term Incentive relates to options to be issued in September 2026 and will vest in FY30 (September 2029), subject to the achievement of the performance targets.
3. The table above excludes the CEO's non-recurring transformation delivery incentive which will vest (subject to its performance hurdles) in September 2027 (FY28). The cash value of the 102,026 options at issue in FY25 was $253,380.

The CEO's FY23 long term grant, issued in 2022, partially vested at 6.25% in September 2025 (FY26). The Absolute TSR hurdle, weighted at 75% of the performance hurdles, the gender pay gap and Scope 1 and 2 emissions targets weighted at 18.75% of the performance hurdles were not achieved. The Supplier Science Based Target (SBT) by spend weighted at 6.25% of the performance hurdles was achieved.

Grant year	Securities	Performance period	Weighting	Performance measures	Hurdle	Outcome	Options converted	Value transferred ($)[1]
FY23	Options	September 2022 – September 2025	75%	Absolute Total Shareholder Return (TSR) hurdle - Spark's cost of equity +2% compounding	35.4%	-41%	0	0
			12.5%	Median gender pay gap	18%	22.7%	0	0
			6.25%	Reduction in absolute Scope 1 and Scope 2 GHG emissions against baseline GHG performance	28%	2.1% increase	0	0
			6.25%	Percentage of Suppliers by Spend have established Supplier SBTs	60%	61%	11,180	$26,368
Total							**11,180**	**$26,368**

1. Based on 5-day VWAP to transfer date.

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Board remuneration

Director remuneration

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

Apart from the CEO, no Director of Spark receives compensation in the form of share options or restricted shares, nor do they participate in any bonus or profit-sharing plan. Non-executive directors are, however, expected to maintain a holding of Spark shares as set out on page 59 of this report. As is the case for employees, directors are required to comply with the Insider Trading Policy when buying or selling Spark shares and any such transactions are disclosed to the market.

Remuneration components

No superannuation or retirement allowance was paid to any Spark Director during FY26. Spark does not have service contracts with any Director, apart from the CEO, that provide for any benefits or remuneration in the event that a Director's service with Spark is terminated. New Zealand-based non-executive directors are eligible for Spark-funded medical insurance, and all non-executive directors are also eligible for Spark-funded life insurance.

FY26 director remuneration

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

The fees payable to non-executive directors during FY26 were:

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

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

There is no increase to Non-executive Director fees for FY27. Fees will continue to be paid out of the current shareholder-approved annual remuneration limit of $1,630,000.

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The total remuneration received by non-executive directors of Spark during FY26 was as follows:[1]

Name of director	Board fees[2]	Audit & Risk Management Committee fees	Human Resources and Compensation Committee fees	Total remuneration[3]
Justine Smyth	$381,700	–	–	$381,700
Warwick Bray	$150,300	$19,700	–	$170,000
Sheridan Broadbent[4]	$37,575	$4,925	$4,350	$46,850
David Havercroft	$150,300	–	$34,700	$185,000
Vince Hawksworth[5]	$112,725		$13,050	$125,775
Gordon MacLeod[6]	$25,223	$6,922	–	$32,145
Lisa Nelson	$150,300	$19,700	$17,400	$202,400[7]
Tarek Robbiati[8]	$112,725	$14,775		$127,500
Lindsay Wright[9]	$137,638	$35,336		$172,974
Total	**$1,258,486**	**$101,358**	**$69,500**	**$1,444,344**

1. The figures shown are gross amounts and exclude GST (where applicable) and are rounded to the nearest dollar.
2. All non-executive directors are members of the Nominations and Corporate Governance Committee (NOMs) and receive no additional fees for these roles.
3. This table excludes contributions towards medical insurance, life and income protection insurance, and communications credit totalling $30,485 for FY26. Spark meets costs incurred by directors that are incidental to the performance of their duties. This includes providing New Zealand-based directors with mobile phones and $150 per month (increased from $120 per month in April 2026), which can be used towards Spark products or services and overseas-based directors with $400 per month communication allowances. Spark also meets the costs of directors' Spark-related travel. As these costs are incurred by Spark to enable directors to perform their duties, no value is attributable to them as benefits to directors for the purposes of the above table.
4. Ms Broadbent resigned as a Director from 1 October 2025.
5. Mr Hawksworth was appointed as a Director from 1 October 2025.
6. Mr MacLeod resigned as a Director from 1 September 2025.
7. This figure includes the additional $15,000 Ms Nelson earned as a member of the MATTR Investment Committee during FY26.
8. Mr Robbiati was appointed as a Director from 1 October 2025.
9. Ms Wright was appointed as a Director from 1 August 2025 and became Chair of the ARMC from 1 September 2025.

Other directors' fees

No director of any subsidiary received any director's fees or other benefits except as an employee.

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Governance

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Corporate governance

Stock exchange listings

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

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

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

Details of debt securities issued by Spark Finance Limited can be found here: investors.sparknz.co.nz/Investor-Centre

Maintaining high standards of corporate governance

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

Spark has complied with the recommendations of the NZX Corporate Governance Code (dated 31 March 2026) and substantially complied with the principles and recommendations of the ASX Corporate Governance Council's Principles and Recommendations (4th Edition) for the FY26 reporting period.

Spark is a climate reporting entity for the purposes of the Financial Markets Conduct Act 2013 and is accordingly required to prepare climate-related disclosures for the year ending 30 June 2026.

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

Ethics and legal compliance

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

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

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

There were no significant instances of non-compliance with laws or regulations, including in respect of marketing communications in FY26.

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

As part of our ISO27001 accreditation there are additional modules required for completion prior to gaining access to systems and sensitive information, to maintain high-quality standards when dealing with information, customer data, and security. These are closely monitored and audited, and we undertake recertification every three years, with the last certification issued in August 2026.

The Board

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

Strategic role of the Board

Spark's Board works closely with the Leadership Team on key decisions, oversees financial performance, and sets targets for executive remuneration through its involvement in annual and long-term planning processes.

Beyond financial oversight, the Board monitors critical non-financial areas, such as employee engagement, customer experience, governance, health and safety, sustainability, cyber security, modern slavery, and risk management, including climate change risk.

In FY26, the Board was involved in guiding the strategic direction of, and ultimately approving Spark's five-year business strategy, SPK-30.

Board renewal and succession

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

Three new Directors, Lindsay Wright, Vince Hawksworth, and Tarek Robbiati, were appointed to the Board as Independent, Non-Executive Directors in FY26. Lindsay Wright joined the Board effective 1 August 2025, while Vince Hawksworth and Tarek Robbiati joined effective 1 October 2025.

Gordon MacLeod and Sheridan Broadbent retired from the Board in FY26.

The Board has been actively identifying potential Chair succession candidates during FY26 through a Chair succession process overseen by a sub-committee of the NOMs, chaired by Warwick Bray. Justine Smyth will remain Chair until the conclusion of the Board meeting on 5 November 2026, marking the completion of her tenure and enabling Vince Hawksworth to commence as Chair by leading Spark's FY26 AGM on 6 November 2026.

The Board skills matrix below outlines the qualifications, capabilities, geographic location, tenure, and gender of each member of the Board as of 30 June 2026. Ethnicity information is available on page 43 of this report.

Board skills matrix

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

	Justine Smyth	Warwick Bray	David Havercroft	Vince Hawksworth	Jolie Hodson	Lisa Nelson	Tarek Robbiati	Lindsay Wright
Qualifications	BCOM, FCA, CFINSD	BSC. (HONS), MBA	BA	HND, CEI(P3), MBA	BCOM, FCA	BA, CPA	MSC, MBA	BCOM
Capability								
Strategic knowledge for scale telco/technology businesses	○	●	●	○	●	○	●	
Financial/commercial	●	●	○		●		●	●
Risk management/ regulatory and/or sustainability	○		●	○	○	●	○	○
Customer insight/ retail/brand	●	●		●	○	○		
People leadership and culture			●	●	●		○	○
Listed company governance	●	○	○	○		●		●
Capital markets/ capital structure	○	○		●		○	○	●
Digital/data/ new markets/AI		○	○		○	●	●	○
Geographical location	NZ	Australia	NZ	NZ	NZ	USA	USA	NZ
Tenure (years)	**14.7**	**6.9**	**4.9**	**0.9**	**6.9**	**2.2**	**0.9**	**0.11**
Gender	**F**	**M**	**M**	**M**	**F**	**F**	**M**	**F**

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

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Definitions of categories of capability:

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

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

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

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

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

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

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

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

Director independence

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

When assessing the independence of directors, the Board considers a number of factors, including those set out in the NZX Listing Rules, the NZX Corporate Governance Code and the Board Charter. The Board has determined, based on information provided by directors regarding their interests, that as at 30 June 2026 Ms Smyth, Mr Bray, Mr Havercroft, Mr Hawksworth, Ms Nelson, Mr Robbiati and Ms Wright were independent. The Board determined that Ms Hodson was not independent due to her position as CEO.

The Board (other than Ms Smyth) has considered the tenure of Ms Smyth who has been a Director for 14.7 years, and Chair for 7.9 years as at 30 June 2026. The Board considers Ms Smyth's understanding of Spark, and experience and skills in the industry add ongoing value as Spark delivers against its SPK30 strategy and completes the Chair succession process. The Board is of the view that Ms Smyth's tenure does not interfere with her capacity to bring an independent judgement to bear on issues before the Board, act in the best interests of Spark, and represent the interests of its financial product holders generally. The Board also does not consider that Ms Smyth's independence could reasonably be perceived to be materially affected by her board compensation or distributions from Spark shares.

The NZX Corporate Governance Code commentary on factors to be considered when determining director independence includes guidance on calculating whether a director derives a substantial portion of their annual revenue from the issuer[1]. NZX would not expect the factor to apply unless a director derives at least one-third of their annual revenue from the issuer[1]. Using this threshold, Ms Smyth's Spark director fees and distributions from Spark shares held, were a substantial portion of her revenue during FY26. The Board (other than Ms Smyth) remains of the view that Ms Smyth is independent, as it is satisfied that revenue derived from Spark does not materially affect Ms Smyth 's capacity to bring an independent view to decisions in relation to Spark given her broader financial position and circumstances.

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

1 NZX Issuer Update – 11 March 2025

Board committees

The Board has three permanent committees that support the Board by working with Management on relevant issues and then reporting back to the Board. Committee membership as at 30 June 2026 was as follows:

Human Resources and Compensation Committee	Audit and Risk Management Committee	Nominations and Corporate Governance Committee
David Havercroft (Chair)	Lindsay Wright (Chair)	Justine Smyth (Chair)
Vince Hawksworth	Warwick Bray	Warwick Bray
Lisa Nelson	Lisa Nelson	David Havercroft
Justine Smyth	Tarek Robbiati	Vince Hawksworth
		Lisa Nelson
		Tarek Robbiati
		Lindsay Wright

Board and Committee meeting attendance for FY26

The Board held eight standard meetings and two special meetings during FY26. The table below shows Director attendance at these Board meetings and Committee member attendance at Committee meetings. Sub-committees of the Board also met regularly throughout the year to consider matters of special importance.

	Board	ARMC	HRCC	NOMs
Total number of meetings held	10	5	6	5
Warwick Bray	10	5	–	5
Sheridan Broadbent[1]	4	2	2	2
David Havercroft	10	–	6	5
Vince Hawksworth[2]	6	–	4	3
Jolie Hodson[3]	10	5	6	–
Gordon MacLeod[4]	3	2	–	2
Lisa Nelson	10	5	6	5
Tarek Robbiati[5]	5	3	–	3
Justine Smyth[6]	10	5	6	5
Lindsay Wright[7]	9	5	–	3

1. Ms Broadbent resigned as a Director from 1 October 2025.
2. Mr Hawksworth was appointed as a Director from 1 October 2025.
3. Ms Hodson attended ARMC and HRCC meetings in an ex officio capacity as Executive Director.
4. Mr MacLeod resigned as a Director from 1 September 2025.
5. Mr Robbiati was appointed as a Director from 1 October 2025.
6. Ms Smyth attended ARMC meetings in an ex officio capacity.
7. Ms Wright was appointed as a Director from 1 August 2025.

Company Secretary

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

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Director interests

In accordance with sections 140 and 211(e) of the Companies Act 1993, the table below lists the general disclosures of interests made by directors in the interests register that remain current, including changes made to those interests during FY26:

Director	Entity	Relationship
Warwick Bray	Woolworths Group Limited	Director
	Minter Ellison	Director
Sheridan Broadbent[1]	Manawa Energy Limited	Director**
	Business Leaders' Health & Safety Forum	Chair
	Downer EDI Limited	Director
David Havercroft	W3 Capital Limited	Director and shareholder
	Westpac New Zealand Limited	Director
	The Guitar Gallery Limited	Director and shareholder
	Medical Assurance Society New Zealand Limited	Technology advisor
	Tait Systems NZ Limited	Director
	HBA NZ Limited	Director and shareholder*
Vince Hawksworth[2]	Starship Foundation	Board Trustee*
	PowerCo Limited	Director*
		Chair of the Regulatory & Asset Management Committee*
	PowerCo NZ Holdings Limited	Director*
	The Gas Hub Limited	Director*
	PowerCo Investment Holdings Limited	Director*
	PowerCo Transmission Services Limited	Director*
	Base Power Limited	Director*
	Datagrid New Zealand Limited	Power & Energy Strategy Advisor*
	VH Insights Limited	Director*
Jolie Hodson	NZ Telecommunications Forum Inc.	Member[3]
	Climate Leaders Coalition	Member of the Coalition's CEO Steering Group
	Nominating Committee for the Climate Change Commission	Member
	MATTR Limited	Director
	TenPeaks Holdco Limited	Director*
Gordon MacLeod[4]	Delegat Group Limited	Director
	Spanbild Holdings Limited	Advisory Chair
	Breast Cancer Foundation NZ	Trustee
Lisa Nelson	Destiny Tech100 Inc	Director & Chair of Audit Committee**
	MATTR Limited Investment Committee	Committee Member
	Banqer Limited	Director
Tarek Robbiati[5]	Digicel Holdings (Bermuda) Limited	Director & Chair of Audit Committee**
	Everpure, Inc	Chief Financial Officer*
	Bluestone Estate Limited	Director and shareholder*
Justine Smyth	Mondiale VGL Group Limited	Chair
	Breast Cancer Foundation NZ	Chair and Trustee
	MATTR Limited	Director

Director	Entity	Relationship
Lindsay Wright[6]	NZX Limited	Board Member*
		Chair of Audit & Risk Committee*
		Member of Clearing House Committee*
	Milford Asset Management Limited	Board Member*
		Chair of Audit & Risk Committee*
		Member of Remuneration Committee*
		Member of Investment Committee**
	Milford Private Equity Limited	Director*
	Mitre Peak Nominee 1 Limited	Director*
	Milford Corporate GP 1 Limited	Director*
	MPE II GP Limited	Director*
	MPE III GP Limited	Director*
	Milford LTI Trustee Limited	Director*
	Milford Private Wealth Limited	Director*
	Milford Funds Limited	Director*
	Milford Australia Pty Limited	Director*
	Navigator Global Investments Limited	Board Member*
		Member of Audit & Risk Committee*
		Chair of Remuneration & Nominations Committee*
	ACC Board	Director*

1. Ms Broadbent resigned as a Director from 1 October 2025.
2. Mr Hawksworth was appointed as a Director from 1 October 2025.
3. Ms Hodson ceased her role as Chair of the NZ Telecommunications Forum Inc. during FY26.
4. Mr MacLeod resigned as a Director from 1 September 2025.
5. Mr Robbiati was appointed as a Director from 1 October 2025.
6. Ms Wright was appointed as a Director from 1 August 2025.

* Entries added by directors and effective during the year ended 30 June 2026.
** Entries removed by directors during the year ended 30 June 2026.

Directors disclosed, pursuant to section 148 of the Companies Act 1993, the following acquisitions and disposals of relevant interests in Spark shares during FY26:

Name	Date	Nature of transaction	Consideration	Number of shares
Vince Hawksworth	Held on appointment	Ordinary shares held by Investment Custodial Services Limited on behalf of the Hawksworth Family Trust (beneficial ownership Vince Hawksworth)	Held on appointment	3,356
	18 September 2025	Purchase of ordinary shares by Investment Custodial Services Limited on behalf of the Hawksworth Family Trust (beneficial ownership Vince Hawksworth)	$47,924	20,000
	23 February 2026	Purchase of ordinary shares by Investment Custodial Services Limited on behalf of the Hawksworth Family Trust (beneficial ownership Vince Hawksworth)	$55,011	25,000
Jolie Hodson	22 September 2025	Issue of options (vests in 2028)	Services to Spark	382,596
	22 September 2025	Issue of options (vests in 2027)	Services to Spark	102,026
	6 October 2025	Vesting of options	Services to Spark	11,180
	6 October 2025	Lapse of options	Services to Spark	(167,690)
	6 October 2025	Sale of ordinary shares	$10,475	(4,420)
Lisa Nelson	19 February 2026	Purchase of ordinary shares by Sharesies Nominee Limited on behalf of Lisa Nelson	$45,000	20,637

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As at 30 June 2026 directors, or entities related to them, held relevant interests (as defined in the Financial Markets Conduct Act 2013) in Spark shares as follows:

	Relevant interest in Spark shares as at 30 June 2026	
Name	**Number**	**%[1]**
Warwick Bray	31,230[2]	0.002
David Havercroft	100,086	0.005
Vince Hawksworth	48,356[3]	0.003
Jolie Hodson	1,263,710[4]	0.067
Lisa Nelson	49,280[5]	0.003
Justine Smyth	861,594[6]	0.046

1. Each percentage stated has been rounded to the nearest 1/1000th of a percent.
2. Relevant interest in beneficial ownership of 31,230 ordinary shares held by WDB Insight Pty Limited.
3. Relevant interest in beneficial ownership of 48,356 ordinary shares held by Investment Custodial Services Limited on behalf of the Hawksworth Family Trust.
4. Includes 318,590 ordinary shares and 945,120 options.
5. Relevant interest in beneficial ownership of 49,280 ordinary shares held by Sharesies Nominee Limited as custodian for Lisa Nelson.
6. Relevant interest in beneficial ownership of 375,201 ordinary shares held by Miksha Trust, beneficial ownership of 125,000 ordinary shares held by PJ Trust, beneficial ownership of 314,475 ordinary shares held by Sharesies Nominee Limited as custodian for Smylone Trust and 46,918 ordinary shares held by Sharesies Nominee Limited as custodian for Justine Smyth.

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

Directors' insurance

Directors disclosed, for the purposes of section 162 of the Companies Act 1993, that insurance was renewed and deeds of indemnity provided to all Spark directors, senior managers and subsidiary company directors for the 12-month period from 1 June 2026.

Shareholdings

As at 30 June 2026 there were 1,890,130,108 Spark ordinary shares on issue, each conferring to the registered holder the right to one vote on a poll at a meeting of shareholders on any resolution, held as follows:

Size of holding	Number of holders[1]	%	Number of shares	%
1-1,000	12,296	29.11	5,990,055	0.32
1,001-5,000	15,849	37.52	41,789,533	2.21
5,001-10,000	6,205	14.69	46,725,833	2.47
10,001-100,000	7,407	17.54	194,195,155	10.27
100,001 and over	484	1.14	1,601,429,532	84.73
Total	**42,241**	**100.00**	**1,890,130,108**	**100.00**

1. Includes:
   - 189,787 shares on issue held by Spark Trustee Limited on behalf of 12 holders of Spark Share (FY25: 211,092 shares on issue held by Spark Trustee Limited on behalf of 43 holders of Spark Share); and
   - 2,467,167 shares on issue held by Sharesies Nominee Limited on behalf of 1,175 holders of Spark Share (FY25: 1,897,654 shares on issue held by Sharesies Nominee Limited on behalf of 1,284 holders of Spark Share).

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The 20 largest registered holders of Spark shares at 30 June 2026 were:

	Name[1]	Number of shares	%
1.	HSBC Nominees (New Zealand) Limited[2]	210,339,888	11.13
2.	BNP Paribas Nominees NZ Limited[3]	167,836,889	8.88
3.	Citibank Nominees (NZ) Limited	146,125,110	7.73
4.	HSBC Nominees (New Zealand) Limited[2]	114,993,777	6.08
5.	HSBC Custody Nominees (Australia) Limited	88,610,381	4.69
6.	JP Morgan Chase Bank	78,427,636	4.15
7.	Accident Compensation Corporation	68,409,195	3.62
8.	Custodial Services Limited	66,808,640	3.53
9.	New Zealand Superannuation Fund Nominees Limited	54,494,420	2.88
10.	New Zealand Depository Nominee	53,661,210	2.84
11.	Citicorp Nominees Pty Limited	47,544,888	2.52
12.	FNZ Custodians Limited	45,996,479	2.43
13.	JB Were (NZ) Nominees Limited	43,333,986	2.29
14.	JP Morgan Nominees Australia Pty Limited	42,243,183	2.23
15.	Apex Custodian Nominees	37,015,028	1.96
16.	New Zealand Permanent Trustees Limited	36,226,928	1.92
17.	Public Trust	25,705,289	1.36
18.	BNP Paribas Nominees NZ Limited[3]	25,466,537	1.35
19.	Pt Booster Investments Nominees Limited	18,555,006	0.98
20.	Forsyth Barr Custodians Limited	17,931,241	0.95

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

According to substantial holder notices as at 30 June 2026 the substantial holders in Spark were as follows:

Name	Number of ordinary shares	% of ordinary shares on issue[1]
Blackrock, Inc. and related bodies corporate	171,626,832	9.08
Firstcape Group Limited	95,643,717	5.06

[1] Based on issued share capital of 1,890,130,108 as at 30 June 2026.

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Subsidiary company directors

The following people held office as directors of subsidiary companies at 30 June 2026. Alternate directors are indicated with an (A).

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

The interest registers for the employee directors of the Spark subsidiary companies were updated for FY26 to reflect any changes noted in the table above.

In addition, interest registers for the following persons were updated in FY26 to reflect:

- Mr Taylor's appointment as a director on TenPeaks Holdco Limited; and
- Mr Wesley-Smith's appointment as a director on Southern Cross Cables Holdings Limited, Southern Cross Cables Limited, Cable Management Limited, SCCL Fiji Limited, SCCL Pacific Limited, SCCL Australia Pty Limited, SCCL New Zealand Limited.

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Tax governance

Spark's Tax Strategy demonstrates our commitment to the highest standards of tax governance and compliance with tax laws. We recognise that responsible tax management is an important part of our broader corporate governance framework and reflects our commitment to operating as a trusted and responsible business. As a New Zealand-based company we believe it is important to be transparent about our approach and contribution to tax to provide certainty and confidence to our stakeholders.

As a large business, we make a significant contribution to New Zealand's tax base, including contributing $107 million of New Zealand income taxes during FY26 (before any tax credits were applied).

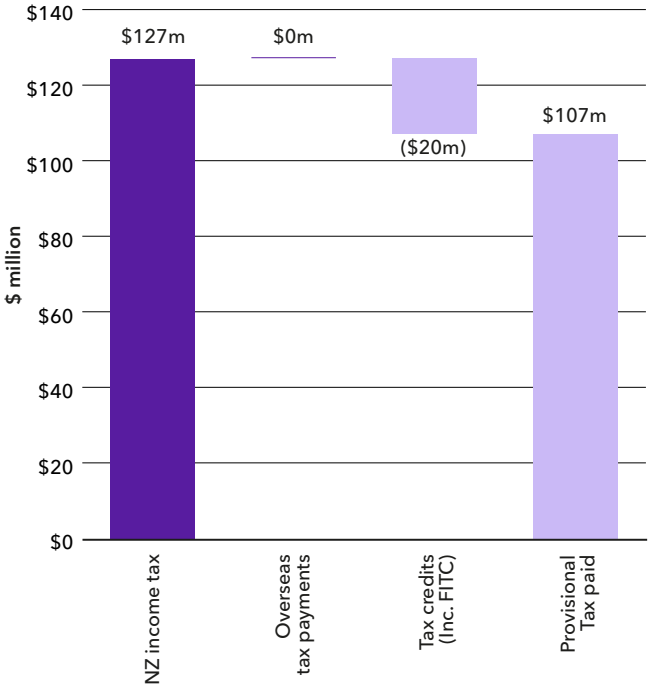
In FY26 Spark's effective tax rate was 15.3%, which is lower than the headline corporate tax rate of 28%. This is a result of the sale of a share of Spark's data centre business which was non-assessable for tax purposes.

Spark's contribution extends beyond income tax and covers a broad range of tax collection and remittance obligations across various tax types. In FY26 those obligations resulted in a total of $499 million of taxes under management (FY25: $623m).

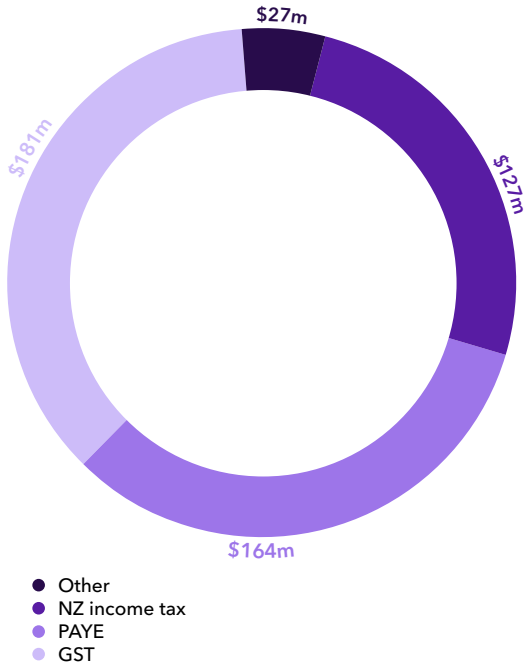
Spark's tax strategy: spark.co.nz/governance



FY26 break down of income tax payments



Taxes under management



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ESG governance

Our sustainability framework

Sustainability is integrated into our ways of working and governance at Spark. Our Sustainability Framework focuses our activity in the areas we can make the most meaningful impact, aligned to our business strategy, and outlines our approach to ESG.

Our sustainability commitment is 'to create a better digital world', which we define as low-impact, with high connectivity; and equitable and trusted. The framework is informed by our materiality assessment (see page 127).



Low-impact, high connectivity

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



Equitable and trusted

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

In our business

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

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

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

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

Suppliers and partners

Engage our suppliers to address our upstream environmental impacts

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

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

KPI: Five annual JAC audits driving issue identification and remediation

Customers and communities

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

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

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

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

Integrating ESG into our governance processes

Spark is committed to continuously improving our ESG performance, supported by a governance structure that ensures sustainability is overseen at the highest levels of the organisation and embedded across day-to-day operations.

The Board has overall responsibility for ESG governance, including approving the Sustainability Framework and key ESG-related policies, and receives quarterly updates on sustainability performance. The Leadership Team oversees execution and acts as a business-wide sustainability steering committee, with regular reporting against sustainability KPIs.

Our ESG performance is supported by cross functional groups with clear accountabilities. These include a Governance and Reporting group responsible for performance, reporting and risk management; a Human Rights and Supply Chain group focused on embedding responsible practices across operations; and an Emissions Reduction Steering Committee that measures and reports energy use and emissions across key areas of the business. In addition, a Due Diligence Committee reviews disclosures against climate standards.

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

Data ethics and governance

Spark's use of AI is guided by our Artificial Intelligence Principles, which focus on a responsible and ethical approach to the design and operation of AI technologies within our business. Our principles, which are regularly reviewed, are focused around seven key areas: human centred; ethical design; diversity, inclusivity, and bias; safety and reliability; privacy; informed human decision-making; and explicability and transparency.

AI development and deployment is governed by Spark's Information Security Risk Management Committee (ISRMC) as part of its broader role to provide insight and decision-making authority for information security, data governance and privacy, ensuring we are using data and data applications, including AI, ethically, legally, safely, and in line with stakeholder expectations. The Chief AI and Technology Officer, and Chief Operating Officer oversee this committee and report to the ARMC.

Spark's AI tools and use-cases go through AI, security, and privacy risk assessment processes through which ethical and human-impact considerations are addressed.



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Sustainability governance at Spark

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

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Benchmarking our ESG performance

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

Our approach to ESG management has seen our score, and relative ranking against global industry peers, increase over time into the top quartile of all global telecommunications companies included in the CSA benchmark.

ESG reporting

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

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

An appendix to this report (see pages 127–128) includes a summary of our approach to materiality, and a summary of our most material issues.

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

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

Spark's FY26 suite of disclosures: spark.co.nz/governance



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Risk management

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Our risk policy and framework help our people to manage uncertainty and adapt to challenges. Oversight by the ARMC and the diligent application of the defined responsibilities across the business ensures our risk management system remains effective.

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

Spark's framework is structured into five domains that work together to enable a robust system for risk management. These five domains are embedded in Spark's Managing Risk Framework, and ensure the 'Three Lines of Defence' risk model (1. Own and manage 2. Monitor and 3. Provide independent assurance) is utilised.

1. **Governance and culture** – This domain reinforces the importance of risk management and influences how people apply the framework. Managing risk is embedded in our organisational structure, our functional activities, and is supported by specialist resources from the Risk team.

   Examples include the risk policy and the defined governance structure that supports its application across Spark. More information is included in the table on page 126.

2. **Strategy and objective setting** – This domain focuses on integrating risk management into strategy setting and business planning.

   Examples include the consideration of risks and opportunities to business objectives when making strategy decisions and checking in with every function using a systematic method as part of the regular operational process.

3. **Performance** – This domain involves maintaining a portfolio view of risks under active management.

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

4. **Review and revision** – This domain involves identifying and implementing opportunities to continuously improve risk management practices.

   Examples include regular internal and external assessments of the policy and framework.

5. **Information, reporting, and communications** – This domain focuses on guiding Spark on how to use the policy and framework.

   Examples include information pages, access to support channels, and education sessions.

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

Spark's principal business risks

Principal risk profiles are updated twice yearly. The last update was finalised in May 2026. The principal risk themes identified were:

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

Evolving cyber threats, AI technologies, cloud adoption, legislation, and increasing stakeholder expectations require Spark to maintain strong cyber security, privacy, and data protection practices. The Cyber Security team is responsible for critical operational controls, while Spark's privacy and data governance frameworks support the responsible management and protection of customer and business information.

External reviews, certifications, and maturity assessments provide independent validation that Spark's cyber security controls remain aligned with leading industry practices and continue to evolve in response to the changing threat landscape.

As Spark expands its use of AI, cloud technologies, and strategic partners, ongoing investment in cyber resilience remains important. Spark continues to strengthen threat detection, security automation, critical asset protection, and incident response capabilities to support preparedness for emerging threats.

- **Ensuring a Better Network and reliable operation of Spark's telco network, systems and infrastructure**

Spark continues to invest in the resilience, reliability, and adaptability of its network and technology platforms, recognising their critical role in supporting customer experience, business performance, and long-term sustainability. Maintaining a leading network position remains an important objective, with ongoing investment focused on coverage, reliability, performance, and resilience.

The delivery of network modernisation and technology initiatives is supported by established governance, investment prioritisation, and operational disciplines that help manage the risks associated with technology change while maintaining continuity of service. Spark also continues to leverage automation, AI-enabled capabilities, and complementary technologies to improve network performance and responsiveness.

To support network availability and service continuity, Spark maintains resilience planning, lifecycle management programmes, operational monitoring, and incident management processes designed to effectively manage infrastructure, technology, and operational risks.

- **Ability to adapt to changing market and economic conditions to deliver performance ambitions**

Spark continues to operate in a challenging and uncertain environment, with softer demand conditions in some areas, ongoing competitive intensity, cost pressures, supply chain constraints, and broader macroeconomic uncertainty impacting performance across customer segments. These conditions have increased the importance of successfully delivering business improvement initiatives, operating model optimisation, supplier efficiencies, and productivity benefits to support Spark's performance ambitions.

In response, Spark continues to focus on automation, AI-enabled efficiencies, digitisation of customer journeys, supplier optimisation, and disciplined cost management. While these initiatives are intended to strengthen operational performance and improve efficiency, achieving planned benefits remains important to offsetting external pressures and supporting financial outcomes.

Spark also actively monitors supply chain disruption, fuel availability, geopolitical developments, and broader macroeconomic trends that may impact customer demand, operating costs, investment decisions, and business performance. Enhanced forecasting, scenario planning, and performance monitoring support management's ability to identify emerging risks and respond to changing conditions in a timely manner.

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

Delivering AI, digital, and business systems transformation remains a key enabler of Spark's strategic objectives. The scale and complexity of these programmes, combined with legacy technology constraints, delivery dependencies, and evolving customer expectations, create execution risks that could impact the achievement of planned customer, operational, and financial outcomes.

As AI technologies continue to evolve rapidly, Spark is focused on identifying opportunities to unlock greater business benefits, improve productivity, and maximise the return on technology investments. Failing to adapt quickly enough to changing technologies, customer expectations, and market opportunities could limit the value realised from Spark's transformation programme.

Spark continues to strengthen governance, oversight, and delivery disciplines to support successful execution of transformation initiatives and responsible adoption of AI. This includes maintaining appropriate controls and oversight mechanisms to manage privacy, intellectual property, ethical use, and other risks associated with emerging technologies while maintaining momentum in delivery.

- **Growing revenue through core connectivity and customer value**

Spark continues to operate in highly competitive and mature markets, where revenue growth is increasingly influenced by customer expectations, price-led competition, changing customer behaviours, and broader economic conditions. These factors continue to place pressure on connections, customer mix, and average revenue per user across key segments, increasing the challenge of achieving sustainable growth while maintaining customer value.

Revenue growth remains closely linked to Spark's ability to retain and grow customers through its core connectivity services, particularly in mobile, while adapting to changing market dynamics and customer needs. Maintaining competitive and relevant products, delivering strong customer experiences, and increasing customer value remain important to achieving Spark's performance ambitions.

Management closely monitors market trends, customer behaviour, and competitor activity to support timely decision-making and ensure investment remains focused on areas that deliver sustainable long-term value. Spark's approach balances growth opportunities with disciplined investment, a focus on core connectivity, and long-term value creation.

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

Spark has evolved its operating model to support delivery of its strategic objectives and long-term performance ambitions. This includes the use of strategic partnerships, access to specialist skills and technology capabilities, and aligning workforce capability with the future needs of the business. While these changes are now largely embedded, Spark remains reliant on strategic partners to deliver critical operational, customer, and commercial outcomes.

As Spark's operating model and partnership arrangements mature, management continues to focus on optimising performance, strengthening accountability, and embedding effective ways of working across its blended workforce model. Effective oversight of partner performance remains important to ensuring expected service, customer, and commercial outcomes are consistently achieved.

Spark continues to refine governance arrangements, strengthen relationships with strategic partners, and ensure it has access to the skills and capabilities required to deliver its strategic objectives and long-term business performance.

Business continuity and crisis management

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

Spark's framework is benchmarked to ISO 22301 and ISO 22313, which are acknowledged as leading practice standards for business continuity. It is overseen by the ARMC in a similar way to the Managing Risk Policy and Framework. An internal governance committee consisting of general managers from across Spark, oversees and supports the implementation and maintenance of Business Continuity programme activities across the Spark Group.

Regular reviews of the framework are performed by the Service Resilience and Risk and Internal Audit teams to ensure it is effective. External reviews and testing of key elements of the framework, such as the Level One Crisis Management Plan and team, are also done to validate the effectiveness of the framework. Our continued investment in network resiliency also demonstrates application of the framework in practice.

Independently Assured

Financial statements

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Financial statements

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Statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE

	NOTES	2026 $M	2025 $M
Operating revenues and other gains[1,2]	2.2	3,949	3,725
Operating expenses[2]	2.3	(2,654)	(2,672)
Earnings before finance income and expense, income tax, depreciation, amortisation, and net investment (loss)/income (EBITDAI)	2.5	1,295	1,053
Finance income	2.4	23	31
Finance expense[3]	2.4	(141)	(149)
Depreciation and amortisation	2.4	(602)	(590)
Net investment (loss)/income[1]	2.4	(1)	2
Net earnings before income tax		574	347
Income tax expense[1,2]	6.1	(88)	(95)
Net earnings from continuing operations		**486**	**252**
Net earnings from discontinued operation	1.4	13	8
Total net earnings		**499**	**260**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Revaluation of long-term investments designated at fair value through other comprehensive income		–	5
Items that may be reclassified to profit or loss:			
Translation of foreign operations		1	–
Change in hedge reserves net of tax	5.1	11	(36)
Other comprehensive income/(loss)		12	(31)
Total comprehensive income		**511**	**229**
Earnings per share			
Basic earnings per share (cents) from continuing operations[1,2]		25.7	13.6
Basic earnings per share (cents) from discontinued operation		0.7	0.4
Basic earnings per share (cents) from continuing and discontinued operations[1,2]		26.4	14.0
Diluted earnings per share (cents) from continuing operations[1,2]		25.7	13.6
Diluted earnings per share (cents) from discontinued operation		0.7	0.4
Diluted earnings per share (cents) from continuing and discontinued operations[1,2]		26.4	14.0
Weighted average ordinary shares (millions) – used for basic earnings per share		1,890	1,847
Dilutive potential ordinary share (options)		–	–
Weighted average ordinary shares (millions) – used for diluted earnings per share		1,890	1,847

See accompanying notes to the financial statements.

1. FY26 balances were impacted by the sale of the data centre business, see notes 1.4 and 2.5 for further details.
2. FY25 balances were impacted by the sale of the remaining Connexa investment and the transformation costs associated with Spark's SPK-26 Operate Programme, see note 2.5 for further details.
3. FY26 balances were impacted by the sale of IFP receivables, see note 1.5 for further details.

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Statement of financial position

	NOTES	AS AT 30 JUNE 2026 $M	AS AT 30 JUNE 2025 $M
Current assets			
Cash and cash equivalents	4.4	157	34
Short-term receivables and prepayments[1,2]	3.1	857	939
Short-term derivative assets	5.1	3	–
Inventories	3.2	94	83
Taxation recoverable	6.1	157	114
Assets classified as held for sale[3]		3	268
Total current assets		**1,271**	**1,438**
Non-current assets			
Long-term receivables and prepayments[1,2]	3.1	311	387
Long-term derivative assets	5.1	24	11
Long-term investments[1]	3.3	156	76
Deferred tax assets[1]	6.1	–	11
Right-of-use assets[1]	3.4	537	555
Leased customer equipment assets	3.5	66	59
Property, plant, and equipment	3.6	1,146	1,184
Intangible assets	3.7	787	804
Total non-current assets		**3,027**	**3,087**
Total assets		**4,298**	**4,525**
Current liabilities			
Short-term payables, accruals, and provisions[2]	4.1	653	536
Short-term derivative liabilities	5.1	1	7
Short-term lease liabilities[1]	4.2	107	107
Current debt	4.3	165	412
Liabilities classified as held for sale[3]		–	4
Total current liabilities		**926**	**1,066**
Non-current liabilities			
Long-term payables, accruals, and provisions[2]	4.1	65	49
Long-term derivative liabilities	5.1	21	60
Long-term lease liabilities[1]	4.2	725	760
Non-current debt	4.3	904	1,070
Deferred tax liabilities	6.1	10	–
Total non-current liabilities		**1,725**	**1,939**
Total liabilities		**2,651**	**3,005**
Equity			
Share capital		995	994
Reserves		(30)	(43)
Retained earnings		682	569
Total equity		**1,647**	**1,520**
Total liabilities and equity		**4,298**	**4,525**

See accompanying notes to the financial statements.

1. FY26 balances were impacted by the sale of the data centre business, see note 1.4 for further details.
2. FY26 balances were impacted by the sale of IFP receivables, see note 1.5 for further details.
3. FY25 balances were impacted by the data centre business being classified as held for sale, see note 1.4 for further details.

On behalf of the Board



Justine Smyth, CNZM
Chair



Jolie Hodson, MNZM
Chief Executive

Authorised for issue on 20 August 2026

Statement of changes in equity

YEAR ENDED 30 JUNE 2026	NOTES	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	SHARE-BASED COMPEN-SATION RESERVE $M	REVALUATION RESERVE $M	FOREIGN CURRENCY TRANSLATION RESERVE $M	TOTAL $M
Balance at 1 July 2025		**994**	**569**	**(24)**	**3**	**–**	**(22)**	**1,520**
Total net earnings		–	499	–	–	–	–	499
Other comprehensive income		–	–	11	–	–	1	12
Total comprehensive income		**–**	**499**	**11**	**–**	**–**	**1**	**511**
Contributions by, and distributions to, owners:								
Dividends	1.3, 4.5	–	(387)	–	–	–	–	(387)
Supplementary dividends	4.5	–	(20)	–	–	–	–	(20)
Tax credit on supplementary dividends		–	20	–	–	–	–	20
Issuance of shares under share schemes		2	–	–	2	–	–	4
Other transfers		(1)	1	–	(1)	–	–	(1)
Total transactions with owners		**1**	**(386)**	**–**	**1**	**–**	**–**	**(384)**
Balance at 30 June 2026		**995**	**682**	**(13)**	**4**	**–**	**(21)**	**1,647**

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

See accompanying notes to the financial statements.

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

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Statement of cash flows

YEAR ENDED 30 JUNE

	NOTES	2026 $M	2025 $M
Cash flows from operating activities			
Receipts from customers[1]		3,654	3,694
Receipts from sale of IFP receivables	1.5	355	–
Receipts from interest		20	29
Payments to suppliers and employees		(2,618)	(2,711)
Payments for collections on derecognised IFP receivables and buy backs		(117)	–
Payments for income tax (net of refunds)		(127)	(186)
Payments for interest on debt		(68)	(90)
Payments for interest on leases		(50)	(50)
Payments for interest on leased customer equipment assets		(5)	(6)
Net cash flows from operating activities	6.5	**1,044**	**680**
Cash flows from investing activities			
Proceeds from sale of property, plant, and equipment		1	2
Proceeds from sale of businesses, net of cash acquired	1.4	462	8
Proceeds from sale of long-term investment		48	309
Proceeds from long-term investment		21	17
Receipts from finance leases		1	–
Receipts from loans receivable		–	3
Payments for purchase of business, net of cash acquired		–	(2)
Payments for purchase of property, plant, and equipment, intangible assets (excluding spectrum), and capacity		(374)	(430)
Payments for assets classified as held for sale	1.4	(62)	(2)
Payments for purchase of spectrum intangible assets		(1)	(10)
Payments for capitalised interest		(6)	(7)
Net cash flows from investing activities		**90**	**(112)**
Cash flows from financing activities			
Net repayments of debt and derivatives	4.4	(464)	(197)
Payments for dividends	1.3	(387)	(302)
Receipts from lease incentive		–	22
Payments for leases		(108)	(92)
Payments for leased customer equipment assets		(33)	(24)
Payments for discounts on derecognised IFP receivables		(19)	–
Net cash flows from financing activities		**(1,011)**	**(593)**
Net cash flows		**123**	**(25)**
Opening cash and cash equivalents position		34	59
Closing cash and cash equivalents position[2]		**157**	**34**

See accompanying notes to the financial statements.

1. FY26 balance includes $99 million of cash collected on behalf of Challenger Limited (Challenger). See note 1.5 for further details.
2. FY26 balance comprises $52 million of cash in banks and $105 million of short-term deposit which are classified as cash equivalents.

Financial report

Section 1 General information

1.1 About this report

Reporting entity

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

Spark is a major supplier of telecommunications and digital services in New Zealand. Spark provides a full range of telecommunications, information technology, and other digital products and services, including: mobile services; broadband services; voice services; other connectivity; cloud services; IT services management; and procurement and partner services.

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

Basis of preparation

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

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

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

New and amended standards

In FY26, Spark has early adopted the amendments to NZ IFRS 10 *Consolidated Financial Statements* and NZ IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* which require an investor to recognise the full gain or loss on transactions involving the sale or contribution of assets that constitute a business, as defined in NZ IFRS 3 *Business Combinations*, between the investor and its associate or joint venture. Spark has applied these amendments prospectively and this has impacted the recognition of gain on sale of data centre business disclosed in note 1.4.

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 currently assessing the disclosure impacts of this standard. 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 *Financial Instruments* 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 commencing 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 as at 30 June 2026, and are not yet effective, that are expected to have a significant impact on the financial statements of Spark.

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NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

1.2 Key estimates and assumptions

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

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

- Note 1.4 Sale of data centre business - discontinued operation
- Note 1.5 Sale of IFP receivables
- Note 2.2 Operating revenues and other gains
- Note 3.1 Receivables and prepayments
- Note 3.7 Intangible assets
- Note 4.2 Lease liabilities

1.3 Significant transactions and events

The following significant transactions and events affected the financial performance and financial position of Spark for the year ended 30 June 2026:

Dividends (see note 4.5)

- Dividends paid during the year ended 30 June 2026 in relation to the H2 FY25 second-half dividend (ordinary dividend of 12.5 cents per share) and H1 FY26 first-half dividend (ordinary dividend of 8.0 cents per share) totalled $387 million or 20.5 cents per share, with no shares offered under the dividend reinvestment plan.

Debt programme (see notes 4.3 and 5.2)

- 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. This facility has been cancelled and replaced by the new bank facilities below.
- On 29 May 2026, Spark announced it has established a new suite of committed bank facilities totalling $500 million across multiple banks who are high-credit quality financial institutions in line with our treasury policy. One facility of $65 million will mature on 29 May 2029, two facilities totalling $100 million will mature on 29 May 2030, and two facilities totalling $135 million will mature on 29 May 2031. In addition, three facilities totalling $200 million are evergreen loans, which have no fixed maturity date and remain available until the notice period expires following cancellation by the lending banks. These new facilities replace all previously held bank facilities.

Long-term investments (see note 3.3)

- 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 year ended 30 June 2026. As at 30 June 2025, Spark transferred the cumulative revaluation losses previously recognised through other comprehensive income to retained earnings in the statement of changes in equity.
- Spark received a $21 million dividend in June 2026 from Southern Cross Cables Holdings Limited investment.

Capital expenditure (see notes 2.5, 3.4, 3.6, 3.7, and page 17 of this Annual Report)

- Spark's additions to property, plant, and equipment, intangible assets, assets classified as held for sale, and capacity right-of-use assets where such additions are paid up front (excluding spectrum, goodwill, assets fully funded by customers or vendors and other non-cash additions that may be required by NZ IFRS) were $467 million, comprising $401 million of business as usual (BAU) capital expenditure and $66 million of strategic capital expenditure (for data centres prior to their sale).

Data centre business sale (see notes 1.4, 3.1, and 3.3)

- On 30 January 2026, Spark completed the sale of 75% interest in its data centre business to Pacific Equity Partners. As part of the transaction, Spark transferred its data centre assets and operations into a new stand-alone company called TenPeaks Holdco Limited (TenPeaks). Following the completion of the sale, the remaining 25% interest in TenPeaks has been equity accounted for as an investment in associate. As at 30 June 2025, the data centre business was classified as a discontinuing operation held for sale.
- A net gain on sale of $278 million was recognised.

Sale of IFP receivables (see note 1.5)

- 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 to 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 initial sale of Spark's existing IFP receivables, the partnership includes an ongoing arrangement with Challenger to sell future IFP receivables on a regular basis. There have been subsequent sales completed on a periodic basis throughout the second half of the financial year. Spark will continue to collect repayments from its mobile customers directly and transfer eligible handset receivables to Challenger at fair value, reflecting financing costs and credit risk.

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1.4 Sale of data centre business – discontinued operation

As disclosed in note 1.3, the sale of a 75% interest in the data centre business to Pacific Equity Partners was completed on 30 January 2026. The Group's statement of profit or loss has been presented to show the data centre business results for the years ended 30 June 2026 and 30 June 2025 as a discontinued operation, separately from the Group's continuing operations.

The discontinued operation's net earnings are as follows:

PERIOD ENDED	30 JANUARY 2026 $M	30 JUNE 2025 $M
Operating revenues and other gains	29	46
Product costs	–	(1)
Labour	(4)	(7)
Other operating expenses		
Network support costs	(1)	(1)
Accommodation costs	(6)	(12)
Earnings before finance income and expense, income tax, depreciation, amortisation, and net investment (loss)/ income (EBITDAI) from discontinued operation	18	25
Depreciation and amortisation expense		
Depreciation and amortisation - property, plant, and equipment, and intangible assets	–	(13)
Depreciation - right-of-use assets	–	(1)
Net earnings before income tax from discontinued operation	18	11
Income tax expense	(5)	(3)
Net earnings from discontinued operation	**13**	**8**

As of 30 June 2025, the assets and liabilities associated with the data centre business were classified as held for sale. The major classes of assets and liabilities comprising the discontinued operation classified as held for sale were as follows:

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

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NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

1.4 Sale of data centre business – discontinued operation (continued)

The sale of the data centre business on 30 January 2026 resulted in a net gain of $278 million as set out below:

	NOTES	2026 $M
Cash inflow arising from sale of the data centre business		462
Less: incremental transaction costs		(20)
Net cash flow on sale of the data centre business		**442**
Assets and liabilities sold		
Short-term receivables and prepayments		(11)
Right-of-use assets		(1)
Property, plant, and equipment		(302)
Goodwill		(10)
Intangible assets		(1)
Deferred tax asset		(9)
Other assets		(3)
Unearned revenue		11
Lease liabilities		1
Sale and leaseback right-of-use asset recognised		21
Sale and leaseback liability recognised		(27)
Investment in TenPeaks		
Contingent consideration receivable	3.1	63
Investment in associate	3.3	104
Net gain on sale of the data centre business		**278**

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

PERIOD ENDED	30 JANUARY 2026 $M	30 JUNE 2025 $M
Net cash flows from operating activities	13	22
Net cash flows from investing activities	(62)	(50)
Net cash flows from financing activities	–	(1)
Net cash flows from discontinued operation	**(49)**	(29)

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1.4 Sale of data centre business – discontinued operation (continued)

Impact of sale of the data centre business on the statement of financial position as at 30 June 2026

The significant balances included within the statement of financial position as at 30 June 2026 as a result of the sale of the data centre business were as follows:

	NOTES	AS AT 30 JANUARY 2026 $M	DESCRIPTION OF THE BALANCE RELATING TO THE DATA CENTRE SALE
Short-term receivables and prepayments	3.1	31	Short-term portion of the contingent consideration receivable of $29 million and trade receivables from TenPeaks of $2 million
Long-term receivables and prepayments	3.1	34	Long-term portion of the contingent consideration receivable
Long-term investments	3.3	103	Investment in associate
Right-of-use assets		18	Right-of-use assets relating to leases and sale and leaseback arrangements
Deferred tax assets		1	Deferred tax assets relating to deductible temporary differences
Short-term payables, accruals, and provisions		(1)	Short-term trade accounts payable to TenPeaks
Short-term lease liabilities		(8)	Short-term portion of the sale and leaseback liability
Long-term lease liabilities		(14)	Long-term portion of the sale and leaseback liability

Contingent consideration receivable

As disclosed in note 1.3, the sale of Spark's 75% interest in the data centre business was completed on 30 January 2026. As part of the consideration, Spark is entitled to additional deferred consideration of up to $130 million (comprising up to $98 million in cash and up to $32 million additional shares in TenPeaks). These amounts are contingent on the achievement of certain performance-based objectives by firstly, 31 December 2026 to 28 February 2027 and secondly, 31 December 2027 to 31 March 2028. At 30 June 2026, the fair value estimate of the contingent consideration was determined to be $83 million (being $63 million in cash and $20 million in additional shares, see notes 3.1 and 3.3 respectively) based on the current view of likely performance against these objectives. The amount and timing of the contingent consideration contain significant judgement, and as such may vary from the above amounts.

The cash portion of the contingent consideration receivable is measured at fair value through profit or loss (FVTPL), therefore, it is not subject to the expected credit loss impairment requirements of NZ IFRS 9 *Financial Instruments*. The cash portion of the contingent consideration will be remeasured at fair value at each reporting date, with changes in fair value recognised in the statement of profit or loss and other comprehensive income.

Movements in the contingent consideration receivable are as follows:

YEAR ENDED 30 JUNE	NOTE	2026 $M
Opening balance as at 1 July		–
Additions from data centre business sale		62
Fair value gain on receivables measured at FVTPL	2.4	1
Closing balance as at 30 June		**63**
Short-term contingent consideration receivable		29
Long-term contingent consideration receivable		34

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NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

1.4 Sale of data centre business – discontinued operation (continued)

Key estimates and assumptions

The fair value of contingent consideration receivable is determined using probability-weighted discounted cash flow model, which estimates the expected cash receipts under a range of potential performance outcomes and discounts those cash flows to present value (level three on the fair value hierarchy). The significant unobservable inputs used in the valuation include the probability of achieving each performance milestone and the risk-adjusted discount rate.

A sensitivity analysis was undertaken in relation to the significant assumptions used in calculating the fair value of the contingent consideration receivable. A 10% increase/decrease in the probability of achievement of the performance milestones would result in a corresponding increase/decrease of $10 million in the receivable. In addition, a 1% increase/decrease in the discount rate would result in a corresponding decrease/increase of less than $1 million in the receivable.

1.5 Sale of IFP receivables

During the year ended 30 June 2026, Spark entered into a series of transactions to sell IFP receivables to Challenger. The initial sale occurred on 23 December 2025, with subsequent sales completed on a periodic basis throughout the second half of the financial year. In aggregate, the sales of IFP receivables resulted in a net loss of $14 million as set out below:

YEAR ENDED 30 JUNE	NOTES	2026 $M
Net cash inflow arising from sale of IFP receivables		340
Less: transaction costs and service fees		(5)
Net cash flow on sale of IFP receivables		**335**
Less: carrying amount of the IFP receivables sold		(356)
Add: carrying amount of the associated expected credit loss allowance provision	3.1	7
Net loss on sale of IFP receivables	2.4, 6.5	**(14)**

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.

Where IFP 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.

Continuing involvement

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. Where unbilled customer discounts relating to the transferred receivables are recognised as a discount liability under NZ IFRS 15 *Revenue from Contracts with Customers*, that liability is presented as a reduction of the continuing involvement asset in the statement of financial position.

The carrying amount of continuing involvement receivables and liabilities are as follows:

	CURRENT $M	NON-CURRENT $M	2026 TOTAL $M
Continuing involvement receivables	18	9	27
Continuing involvement liabilities	(27)	(15)	(42)

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1.5 Sale of IFP receivables (continued)

Key estimates and assumptions

Judgement is required in assessing whether the sale of IFP 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.

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NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

Section 2 Financial performance information

2.1 Segment information

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

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

Changes to segment results classification:

In FY26 Spark made changes to its segments to align with the SPK-30 business strategy. As a result, the 2025 segment results have been reclassified as follows:

- The IT products, IT services, and High tech were reclassified between Other products and three new categories: Other connectivity, Cloud, and IT services management in FY26 to more accurately reflect how these products are viewed and the comparative information has been re-presented to reflect this.

There is no change to the overall Spark reported result because of these reclassifications.

	2026			2025		
YEAR ENDED 30 JUNE	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M	OPERATING REVENUES $M	PRODUCT COSTS $M	PRODUCT MARGIN $M
Mobile	1,517	(490)	1,027	1,453	(457)	996
Broadband	596	(318)	278	608	(331)	277
Voice	126	(57)	69	150	(68)	82
Other connectivity[1]	327	(171)	156	363	(196)	167
Cloud	233	(121)	112	235	(111)	124
IT services management	104	(30)	74	116	(33)	83
Procurement and partners	563	(522)	41	538	(473)	65
Other products[2]	171	(53)	118	160	(62)	98
Segment results from continuing operations	**3,637**	**(1,762)**	**1,875**	**3,623**	**(1,731)**	**1,892**

1. Other connectivity includes IoT, managed data, networks, security, and collaboration.
2. See note 2.2 for a description of other products.

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

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Segment product margin	1,875	1,892
Other gains[3]	312	102
Labour	(381)	(439)
Other operating expenses[4]	(511)	(502)
Earnings before finance income and expense, income tax, depreciation, amortisation, and net investment (loss)/ income (EBITDAI)	1,295	1,053
Finance income	23	31
Finance expense	(141)	(149)
Depreciation and amortisation	(602)	(590)
Net investment (loss)/income	(1)	2
Net earnings before income tax from continuing operations	**574**	**347**

3. See note 2.2 for a description of other gains.
4. See note 2.3 for a breakdown of other operating expenses.

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2.2 Operating revenues and other gains

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

Contracts with customers

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

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.2 Operating revenues and other gains (continued)

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Operating revenues			
Mobile		1,517	1,453
Broadband		596	608
Voice		126	150
Other connectivity		327	363
Cloud		233	235
IT services management		104	116
Procurement and partners		563	538
Other products		171	160
		3,637	**3,623**
Other gains			
Net gain on sale of Connexa investment		–	71
Net gain on sale and acquisition of property, plant, and equipment, and intangible assets		12	8
Net gain on lease modifications and terminations		22	24
Net gain/(loss) on sale of long-term businesses[1]	1.4	278	(1)
		312	**102**
Total operating revenues and other gains from continuing operations		**3,949**	**3,725**

1. FY26 balance has been impacted by the sale of the data centre business, see note 1.4 for further details.

Other products

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

Other gains

For the year ended 30 June 2026, other gains included the net gain on the sale of the data centre business of $278 million, the sale of property, plant, and equipment, together with the fair value of vendor funded equipment and software to support revenue growth opportunities of $12 million, and net gain from lease modifications and terminations of $22 million (primarily relates to mobile and exchange sites).

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

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2.2 Operating revenues and other gains (continued)

Key estimates and assumptions

Determining the transaction price

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

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

Determining the stand-alone selling price of performance obligations and the allocation of the transaction price between performance obligations involves judgement. The transaction price is allocated to performance obligations based on the relative stand-alone selling prices of the distinct goods or services in the contract. The best evidence of a stand-alone selling price is the observable price of a good or service when the entity sells that good or service separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, we estimate the stand-alone selling price taking into account reasonably available information relating to the market conditions, entity-specific factors, and the class of customer. In determining the stand-alone selling price, we allocate revenue between performance obligations based on expected minimum enforceable amounts to which Spark is entitled. Any amounts above the minimum enforceable amounts are recognised as revenue as they are earned. Discounts are allocated to performance obligations on the basis of their relative stand-alone selling prices. However, where there is observable evidence that a discount relates entirely to one or more, but not all, performance obligations in a contract (or a portfolio of contracts, where applicable), the discount is allocated to those specific performance obligations in accordance with NZ IFRS 15.

Distinct goods and services

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

Timing of satisfaction of performance obligations

We make judgements in determining whether performance obligations are satisfied over time or at a point in time, as well as the methods used for measuring progress towards completed satisfaction of performance obligations. Refer to page 83 for Spark's accounting policy on timing of satisfaction of performance obligations.

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NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.3 Operating expenses

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Product costs	1,762	1,731
Labour[1]	381	439
Other operating expenses		
Network support costs	106	78
Computer costs	155	132
Accommodation costs	82	84
Advertising, promotions, and communication	69	58
Bad debts	16	19
Other[1]	83	131
Total other operating expenses	511	502
Total operating expenses from continuing operations	**2,654**	**2,672**

1. FY25 balances include additional transformation costs of $53 million ($3 million in labour and $50 million in other operating costs which were mostly severances) incurred in the implementation of Spark's SPK-26 Operate Programme.

Pension contributions

Labour costs include post-employment benefits (Kiwisaver and Superannuation) of $13 million (30 June 2025: $15 million).

Cost of inventories recognised as an expense

The cost of inventories recognised as an expense in relation to broadband modems, mobile devices, and other accessories was $356 million (30 June 2025: $330 million).

Lease expenses

Expenses relating to short-term leases and leases of low-value assets were $6 million (30 June 2025: $8 million).

Donations

Donations for the year ended 30 June 2026 were $1,941,262 and comprised Spark's donation to Spark Foundation of $1,918,262, and payroll giving and other donations of $23,000 (30 June 2025: $1,931,000, comprised Spark's donation to the Spark Foundation of $1,894,000 and payroll giving and other donations of $37,000). Spark made no donations to political parties in the years ended 30 June 2026 and 30 June 2025.

Auditor's remuneration

YEAR ENDED 30 JUNE	2026 $'000	2025 $'000
Audit and review of financial statements[1]	1,255	1,361
Audit or review related services[2]	58	57
Other assurance services and other agreed upon procedures engagements[3]	93	87
Taxation services[4]	28	–
Human resource services[5]	70	45
Other services[6]	17	27
Total fees paid to auditor	**1,521**	**1,577**

1. The audit fee includes fees for both the annual audit of the financial statements and the review of the interim financial statements.
2. Audit or review related services consist of the audit of telecommunications-related regulatory disclosures.
3. Other assurance services relate to assurance over the Group's greenhouse gas emissions of $72k (2025: $67k) and sustainability linked loan of $21k (2025:$20k).
4. Taxation services relate to international tax advisory support.
5. Human resource services for current year relates to the process design capability uplift programme. FY25 human resource services relate to business partner training programme.
6. Other services relate to other advisory services of $17k for the Corporate Taxpayer Group of which Spark, alongside a number of organisations, is a member of (2025: $17k). FY25 also includes services relating to the CPO Vantage Programme of $5k and CFO Vantage Programme of $5k.

Financial statements

2.4 Finance income, finance expense, depreciation, amortisation, and net investment (loss)/income

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Finance income			
Finance lease interest income		8	8
Other interest income		15	23
		23	**31**
Finance expense			
Finance expense on debt		(66)	(79)
Lease interest expense	4.2	(51)	(51)
Leased customer equipment interest expense		(5)	(6)
Loss on sale of IFP receivables	1.5	(14)	-
Other interest and finance expenses		(11)	(20)
		(147)	**(156)**
Plus: interest capitalised[1]		6	7
		(141)	**(149)**
Depreciation and amortisation			
Depreciation – property, plant, and equipment	3.6	(270)	(274)
Depreciation – right-of-use assets	3.4	(111)	(103)
Depreciation – leased customer equipment assets	3.5	(27)	(27)
Amortisation – intangible assets	3.7	(194)	(186)
		(602)	**(590)**
Net investment (loss)/income			
Share of associates' and joint ventures' net losses	3.3	(2)	(6)
Interest income on loans receivable from associates and joint ventures		-	8
Fair value gain on receivables measured at FVTPL	1.4	1	-
		(1)	**2**

1. Interest was capitalised on property, plant, and equipment, and intangible assets under development for the year ended 30 June 2026 at an annualised rate of 5.6% (30 June 2025: 5.7%).

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NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures

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

Earnings before finance income and expense, income tax, depreciation, amortisation, and net investment (loss)/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 (loss)/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, fair value gain on receivables measured at FVTPL, and dividend income). A reconciliation of Spark's EBITDAI from continuing operations is provided below and based on amounts taken from, and consistent with, those presented in these financial statements.

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Net earnings from continuing operations reported under NZ IFRS		486	252
Less: finance income	2.4	(23)	(31)
Add back: finance expense	2.4	141	149
Add back: depreciation and amortisation	2.4	602	590
Add/(Less): net investment loss/income	2.4	1	(2)
Add back: income tax expense	6.1	88	95
EBITDAI from continuing operations		**1,295**	**1,053**

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2.5 Non-GAAP measures (continued)

Adjusted EBITDAI and adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items of unusual or infrequent nature (such as gains, expenses, and impairments) individually greater than $25 million. In the year ended 30 June 2026, the net gain on sale of the data centre business of $278 million and any associated tax impact were deemed significant to adjust. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme of $53 million, and any associated tax impacts were deemed significant to adjust.

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
EBITDAI from continuing operations		1,295	1,053
EBITDAI from discontinued operation	1.4	18	25
Less: net gain on sale of Connexa investment	2.2	–	(71)
Less: net gain on sale of data centre business	1.4	(278)	–
Add: transformation costs	2.3	–	53
Adjusted total EBITDAI		**1,035**	**1,060**
Net earnings from continuing operations reported under NZ IFRS		486	252
Net earnings from discontinued operation reported under NZ IFRS	1.4	13	8
Less: net gain on sale of Connexa investment	2.2	–	(71)
Less: net gain on sale of data centre business	1.4	(278)	–
Add: tax effect on sale of data centre business	6.1	4	–
Add: transformation costs	2.3	–	53
Add: tax effect of transformation costs	6.1	–	(15)
Adjusted total net earnings		**225**	**227**

Capital expenditure

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

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Additions to property, plant, and equipment	3.6	232	316
Additions to intangible assets	3.7	178	157
Additions to assets classified as held for sale[1]		66	–
Additions to capacity right-of-use assets	3.4	14	3
Total additions		**490**	**476**
Less: assets fully funded by customers or vendors	3.6, 3.7	(16)	(47)
Less: spectrum additions	3.7	(7)	–
Capital expenditure		**467**	**429**
BAU capital expenditure		401	401
Strategic capital expenditure (for data centres prior to their sale)[1]		66	28

1. This expenditure was recovered as part of the proceeds received from the sale of the data centre business.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures (continued)

Net debt

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

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

Net tangible assets

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

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

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Total assets		4,298	4,525
Less: intangible assets		(787)	(804)
Less: total liabilities		(2,651)	(3,005)
Net tangible assets		**860**	**716**
Number of shares outstanding (in millions)	4.5	1,890	1,889
Net tangible assets per share		**$0.46**	**$0.38**

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Section 3 Assets

3.1 Receivables and prepayments

AS AT 30 JUNE	NOTES	2026 $M	2025 $M
Short-term receivables and prepayments			
Trade receivables		422	422
Short-term prepayments		165	108
Short-term unbilled revenue[1]		144	294
Short-term contract costs		55	52
Short-term finance lease receivables		14	13
Short-term receivables measured at FVTPL	1.4	29	–
Other short-term receivables[1,2]		28	50
		857	**939**
Long-term receivables and prepayments			
Long-term unbilled revenue[1]		49	99
Long-term prepayments		29	105
Long-term contract costs		81	84
Long-term finance lease receivables		106	96
Long-term loans receivable		2	3
Long-term receivables measured at FVTPL	1.4	34	–
Other long-term receivables[1]		10	–
		311	**387**

1. FY26 balances have been impacted by the sale of IFP receivables. See note 1.5 for more details.
2. FY25 balance includes $47 million for the sale of shares in Hutchison, received on 17 July 2025, see note 1.3 for further details.

Amounts are stated at their net carrying value, including expected credit loss allowance provisions for those measured at amortised cost. The fair value of finance lease receivables is estimated to be $134 million (30 June 2025: $116 million) and the carrying amount of all other receivables measured at amortised cost are approximately equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Contract costs

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

	2026			2025		
YEAR ENDED 30 JUNE	COSTS TO OBTAIN A CONTRACT $M	COSTS TO FULFIL A CONTRACT $M	TOTAL $M	COSTS TO OBTAIN A CONTRACT $M	COSTS TO FULFIL A CONTRACT $M	TOTAL $M
Opening balance as at 1 July	29	107	136	26	112	138
Additions	14	41	55	9	51	60
Transferred to assets held for sale	–	(1)	(1)	–	–	–
Amortisation recognised in operating expenses	(8)	(46)	(54)	(6)	(56)	(62)
Closing balance as at 30 June	**35**	**101**	**136**	**29**	**107**	**136**
Short-term contract costs	9	46	55	6	46	52
Long-term contract costs	26	55	81	23	61	84

Key estimates and assumptions

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

Expected credit loss allowance provision

Movements in the loss allowance provision are as follows:

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Opening balance as at 1 July		22	20
Charged to expenses		20	22
Released from IFP sale	1.5	(7)	–
Bad debts recovered		(3)	(3)
Utilised		(18)	(17)
Closing balance as at 30 June		**14**	**22**

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3.1 Receivables and prepayments (continued)

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

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

AS AT 30 JUNE 2026	CURRENT $M	≤ 1 MONTH $M	> 1 MONTH $M	TOTAL $M
Expected loss rate	1.0%	0.7%	6.3%	1.5%
Gross carrying amount	693	136	96	925
Expected credit loss allowance provision	**7**	**1**	**6**	**14**
Short-term loss allowance provision	5	1	6	12
Long-term loss allowance provision	2	–	–	2
AS AT 30 JUNE 2025				
Expected loss rate	1.6%	0.5%	15.6%	1.9%
Gross carrying amount	892	198	45	1,135
Expected credit loss allowance provision	**14**	**1**	**7**	**22**
Short-term loss allowance provision	10	1	7	18
Long-term loss allowance provision	4	–	–	4

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

AS AT 30 JUNE	2026 $M	2025 $M
Trade receivables	8	10
Unbilled revenue	3	9
Contract costs	2	2
Finance lease receivables	1	1
Expected credit loss allowance provision	**14**	**22**

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

Key estimates and assumptions

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

Spark considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to Spark in full, without recourse by Spark to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Finance lease receivables

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

In FY26, Spark assigned its leases for two data centres to TenPeaks. In FY25, Spark assigned its leases for its former corporate office in Victoria Street, Auckland to a third party. In FY23, Spark assigned its ground leases for the mobile site assets sold to Connexa. As a result, Spark recorded finance lease receivables equal to the lease liabilities for these leases. Spark is unwinding these balances over the remaining term to the next right of renewal, at which point they will be terminated or novated.

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

The profile of lease net receipts is set out below:

	2026		2025	
AS AT 30 JUNE	UNDISCOUNTED $M	DISCOUNTED $M	UNDISCOUNTED $M	DISCOUNTED $M
Less than one year	23	14	20	13
Between one and five years	51	21	51	26
More than five years	146	85	129	70
Net finance lease receivables	**220**	**120**	**200**	**109**
Less: unearned finance income	(100)	–	(91)	–
Present value of finance lease receivables	**120**	**120**	**109**	**109**
Short-term finance lease receivables		14		13
Long-term finance lease receivables		106		96

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

3.2 Inventories

AS AT 30 JUNE	2026 $M	2025 $M
Goods held for resale	94	83
Total inventories	**94**	**83**

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3.3 Long-term investments

AS AT 30 JUNE	MEASUREMENT BASIS	2026 $M	2025 $M
Investment in associates and joint ventures	Equity method	153	73
Other long-term investments	Cost	3	3
		156	**76**

Following the completion of the sale of the data centre business on 30 January 2026, Spark's 25% interest in TenPeaks is equity accounted for as an investment in associate. Spark has significant influence over TenPeaks but does not control the entity. Significant influence arises from Spark's equity interest and governance arrangements, including representation on the board and participation in relevant decision-making processes.

The investment in TenPeaks was initially recognised at $104 million (includes $20 million contingent share consideration) which is the fair value of Spark's retained interest at the sale completion date. Subsequently, the carrying amount was adjusted to recognise Spark's share of profit or loss, other comprehensive income, and any dividends received. As of 30 June 2026, the carrying amount of the investment in TenPeaks is $103 million.

In FY26, Spark received a dividend of $21 million from Southern Cross Cables Holdings Limited (FY25: $17 million return of capital was received from Southern Cross Cables Holdings Limited).

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.

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 30 June 2026 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
TenPeaks HoldCo Limited	Associate	New Zealand	25%	Data centre infrastructure

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

		2026			2025		
YEAR ENDED 30 JUNE	NOTES	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M
Opening balance as at 1 July		56	17	73	143	18	161
Additional investments during the year		104	–	104	–	–	–
Disposals		–	–	–	(65)	–	(65)
Dividends/return of capital	1.3	(21)	–	(21)	(17)	–	(17)
Share of net losses	2.4	–	(2)	(2)	(5)	(1)	(6)
Other		(1)	–	(1)	–	–	–
Closing balance as at 30 June		**138**	**15**	**153**	**56**	**17**	**73**

Spark has suspended equity accounting for Pacific Carriage Holdings Limited Inc and Southern Cross Cables Holdings Limited (together 'Southern Cross') as their carrying values were reduced to nil. Spark has no obligation to fund Southern Cross deficits or repay dividends. For the year ended 30 June 2026, Spark's share of Southern Cross profits was not recognised because of the existence of historic cumulative Southern Cross deficits. In the current year, Southern Cross profit was $44 million (30 June 2025: profit of $53 million).

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NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.4 Right-of-use assets

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

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

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

YEAR ENDED 30 JUNE 2026	NOTE	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		182	176	110	2	80	5	555
Additions and acquisitions		9	14	38	–	26	5	92
Disposals		(5)	–	(1)	–	–	–	(6)
Assets transferred back from held for sale		3	–	–	–	–	–	3
Remeasurements		3	–	–	1	–	–	4
Depreciation charge	2.4	(34)	(25)	(14)	(2)	(34)	(2)	(111)
Closing net book value		**158**	**165**	**133**	**1**	**72**	**8**	**537**

YEAR ENDED 30 JUNE 2025	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		132	197	78	5	72	3	487
Additions and acquisitions		105	3	38	–	36	3	185
Disposals		(22)	–	(1)	(1)	–	–	(24)
Assets classified as held for sale		(3)	–	–	–	–	–	(3)
Remeasurements		6	1	5	–	1	1	14
Depreciation charge[1]	1.4, 2.4	(36)	(25)	(10)	(2)	(29)	(2)	(104)
Closing net book value		**182**	**176**	**110**	**2**	**80**	**5**	**555**

1. Depreciation includes charges for continuing and discontinued operations in FY25.

All capacity additions for the years ended 30 June 2026 and 30 June 2025 were fully paid on control being obtained and therefore deemed capital expenditure, which is a non-GAAP measure, as defined and reconciled in note 2.5.

Income from subleasing right-of-use assets for the year ended 30 June 2026 was $2 million (30 June 2025: $1 million).

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3.4 Right-of-use assets (continued)

Key estimates and assumptions

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

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

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

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

3.5 Leased customer equipment assets

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

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

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Opening net book value		59	70
Additions		37	17
Disposals		(3)	(1)
Depreciation charge	2.4	(27)	(27)
Closing net book value		**66**	**59**
AS AT 30 JUNE			
Cost		220	210
Accumulated depreciation and impairment losses		(154)	(151)
Closing net book value		**66**	**59**

Leased customer equipment assets are leased to customers under operating leases. Revenue received from these arrangements and other operating leases for the year ended 30 June 2026, including from discontinued operation, was $55 million (30 June 2025: $62 million).

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NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.6 Property, plant, and equipment

YEAR ENDED 30 JUNE 2026	NOTES	TELECOMMUNICATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		710	50	176	139	109	1,184
Additions and acquisitions[1]	2.5	–	–	–	–	232	232
Transfers		183	–	4	34	(221)	–
Depreciation charge	2.4	(210)	–	(20)	(40)	–	(270)
Closing net book value		**683**	**50**	**160**	**133**	**120**	**1,146**
AS AT 30 JUNE 2026							
Cost		3,573	50	505	465	120	4,713
Accumulated depreciation and impairment losses		(2,890)	–	(345)	(332)	–	(3,567)
Closing net book value		**683**	**50**	**160**	**133**	**120**	**1,146**

YEAR ENDED 30 JUNE 2025	NOTES	TELECOMMUNICATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		792	59	260	85	198	1,394
Additions and acquisitions[1]	2.5	–	–	–	–	316	316
Assets classified as held for sale	1.4	(98)	(9)	(88)	(1)	(40)	(236)
Transfers		238	–	30	95	(363)	–
Disposals		–	–	–	(1)	(2)	(3)
Depreciation charge[2]	1.4, 2.4	(222)	–	(26)	(39)	–	(287)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**
AS AT 30 JUNE 2025							
Cost		3,581	50	508	572	109	4,820
Accumulated depreciation and impairment losses		(2,871)	–	(332)	(433)	–	(3,636)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**

1. Included in additions is $16 million (30 June 2025: $44 million) of assets fully funded by customers or vendors.
2. Depreciation includes charges for continuing and discontinued operations in FY25.

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3.6 Property, plant, and equipment (continued)

Joint arrangement

Spark has a joint arrangement relating to the construction and operation of the Tasman Global Access fibre-optic submarine cable between Australia and New Zealand. As at 30 June 2026, the carrying values of Spark's share of property, plant, and equipment, and capacity right-of-use assets in the joint operation were $11 million and $18 million, respectively (30 June 2025: $10 million and $19 million, respectively).

Key estimates and assumptions

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.7 Intangible assets

YEAR ENDED 30 JUNE 2026	NOTES	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		381	145	8	230	40	804
Additions and acquisitions[1]	2.5	–	7	–	–	171	178
Transfers		159	–	–	–	(160)	(1)
Amortisation charge	2.4	(173)	(19)	(2)	–	–	(194)
Closing net book value		**367**	**133**	**6**	**230**	**51**	**787**
AS AT 30 JUNE 2026							
Cost		2,103	361	74	278	51	2,867
Accumulated amortisation and impairment losses		(1,736)	(228)	(68)	(48)	–	(2,080)
Closing net book value		**367**	**133**	**6**	**230**	**51**	**787**

YEAR ENDED 30 JUNE 2025	NOTES	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		352	163	15	244	77	851
Additions and acquisitions[1]	2.5	–	–	–	–	157	157
Assets classified as held for sale	1.4	–	–	–	(10)	(1)	(11)
Transfers		192	–	1	–	(193)	–
Disposals		–	–	(3)	(4)	–	(7)
Amortisation charge	2.4	(163)	(18)	(5)	–	–	(186)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**
AS AT 30 JUNE 2025							
Cost		1,957	355	73	278	40	2,703
Accumulated amortisation and impairment losses		(1,576)	(210)	(65)	(48)	–	(1,899)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**

1. FY25 additions included $3 million of assets fully funded by customers or vendors. Total software capitalised in the year ended 30 June 2026 includes $85 million (30 June 2025: $97 million) of internally generated assets. Other software capitalised in the year includes software licences and externally supplied labour.

Key estimates and assumptions

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

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

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

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3.7 Intangible assets (continued)

Goodwill

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

AS AT 30 JUNE	2026 $M	2025 $M
Mobile	47	47
Broadband	3	3
Other connectivity	75	75
Cloud	52	52
IT services management	43	43
Other products	10	10
	230	**230**

The comparative goodwill balances have been reclassified to align with the revised segment presentation disclosed in note 2.1.

During the years ended 30 June 2026 and 30 June 2025, no impairment arose as a result of the assessment of the carrying value of goodwill. Headroom currently exists in each CGU and, based on the sensitivity analysis performed, no reasonably possible changes in the assumptions would cause the carrying amount of the CGUs to exceed their recoverable amounts.

Key estimates and assumptions

Goodwill is assessed annually for impairment using a value-in-use model, which estimates the future cash flows, based on the FY26 Board-approved business plan, applied to the next three years, with key assumptions being forecast earnings and capital expenditure for each CGU. The forecast financial information is based on both past experience and future expectations of CGU performance. The key inputs and assumptions used in performing an impairment assessment that require judgement include revenue forecasts, operating cost projections, customer numbers and customer churn, discount rates, growth rates, and future technology paths.

Nil terminal growth was applied to all CGUs and a pre-tax discount rate of 11.4% was utilised for the year ended 30 June 2026 (30 June 2025: 11.0%). Management considers that the risk aspects, prospects, and exposure are sufficiently similar to apply these rates across all CGU's.

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NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

Section 4 Liabilities and equity

4.1 Payables, accruals, and provisions

AS AT 30 JUNE	2026 $M	2025 $M
Short-term payables, accruals, and provisions		
Trade accounts payable and accruals	383	321
Revenue billed in advance	130	111
Accrued personnel costs	34	29
Accrued interest	3	4
GST payable	42	36
Short-term sale and leaseback liabilities	16	18
Short-term provisions	9	8
Other short-term payables and accruals[1]	36	9
	653	**536**
Long-term payables, accruals, and provisions		
Long-term sale and leaseback liabilities	35	31
Long-term revenue billed in advance	11	13
Long-term provisions	3	3
Other long-term payables and accruals[1]	16	2
	65	**49**

1. These balances have been impacted by the sale of IFP receivables. See note 1.5 for more details.

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

Provisions

The following table summarises movements in provisions in the year:

YEAR ENDED 30 JUNE 2026	SPARK SPORT PROVISION $M	MAKE-GOOD PROVISIONS $M	TOTAL $M
Opening balance as at 1 July	7	4	11
Additional provisions made in the year	1	8	9
Amounts utilised during the year	(7)	(2)	(9)
Unwinding of discount	1	1	2
Reversal of unused provisions	–	(1)	(1)
Closing balance at 30 June	**2**	**10**	**12**
Short-term provisions	2	7	9
Long-term provisions	–	3	3

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4.2 Lease liabilities

YEAR ENDED 30 JUNE 2026	NOTE	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance		267	2	499	2	91	6	867
Leases entered into during the year		9	1	39	–	32	5	86
Disposals		(1)	–	(3)	–	–	–	(4)
Liabilities transferred back from held for sale		3	–	–	–	–	–	3
Interest expense	2.4	13	–	33	–	5	–	51
Principal repayments		(60)	(1)	(64)	(2)	(41)	(2)	(170)
Remeasurements		1	–	(3)	1	–	–	(1)
Balance at the end of the year		**232**	**2**	**501**	**1**	**87**	**9**	**832**
Short-term lease liabilities		38	1	31	1	33	3	107
Long-term lease liabilities		194	1	470	–	54	6	725
Lease liabilities – non-cancellable commitments[1]		**225**	**2**	**882**	**1**	**87**	**9**	**1,206**

YEAR ENDED 30 JUNE 2025	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance		162	2	488	5	79	5	741
Leases entered into during the year		148	–	38	–	37	3	226
Disposals		(4)	–	(8)	–	–	–	(12)
Liabilities classified as held for sale	1.4	(4)	–	–	–	–	–	(4)
Interest expense	2.4	12	–	33	–	6	–	51
Principal repayments		(53)	(1)	(60)	(3)	(32)	(2)	(151)
Remeasurements		6	1	8	–	1	–	16
Balance at the end of the year		**267**	**2**	**499**	**2**	**91**	**6**	**867**
Short-term lease liabilities		40	–	34	1	30	2	107
Long-term lease liabilities		227	2	465	1	61	4	760
Lease liabilities - non-cancellable commitments[1]		**251**	**2**	**687**	**2**	**91**	**6**	**1,039**

1. Relates to the discounted lease liability for future minimum rental commitments for non-cancellable periods of leases, excluding rights of renewal, which are at Spark's option, including leases committed to that have not yet commenced.

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NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.2 Lease liabilities (continued)

Key estimates and assumptions

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

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

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

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

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

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

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4.3 Debt

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

AS AT 30 JUNE	NOTES	FACILITY	COUPON RATE	MATURITY	2026 $M	2025 $M
Current debt						
Commercial paper			Variable	< 3 months	20	150
					20	**150**
Supplier financing arrangements[1]			Variable	< 30/09/2042	20	32
					20	**32**
Bank funding						
MUFG Bank Ltd[2]		125 million NZD	Variable	29/05/2026	–	125
					–	**125**
Domestic notes						
125 million NZD	5.1		3.94%	07/09/2026	125	–
					125	**–**
Foreign currency Medium Term Notes						
Australian Medium Term Notes – 100 million AUD	5.1		1.90%	05/06/2026	–	105
					–	**105**
Total current debt	4.4				**165**	**412**
Non-current debt						
Supplier financing arrangements[1]			Variable	< 30/09/2042	14	28
					14	**28**
Bank funding						
Commonwealth Bank of Australia[2]		100 million NZD	Variable	30/11/2027	–	70
					–	**70**
Domestic notes						
125 million NZD	5.1		3.94%	07/09/2026	–	124
100 million NZD[3]			4.37%	29/09/2028	100	100
125 million NZD	5.1		5.21%	18/09/2029	128	129
175 million NZD	5.1		5.45%	18/09/2031	181	182
					409	**535**
Foreign currency Medium Term Notes						
Australian Medium Term Notes – 150 million AUD	5.1		4.00%	20/10/2027	179	160
Australian Medium Term Notes – 125 million AUD	5.1		2.60%	18/03/2030	136	123
Norwegian Medium Term Notes – 1 billion NOK[4]	5.1		3.07%	19/03/2029	166	154
					481	**437**
Total non-current debt	4.4				**904**	**1,070**
Total debt					**1,069**	**1,482**

1. With respect to arrangements with outstanding liabilities during the year, including those entered into in prior years, financing providers have paid suppliers a total of $113 million, Spark has accrued interest of $7 million and made payments against these arrangements of $86 million, resulting in a closing liability of $34 million as at 30 June 2026 (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 nineteen years from initial supplier financing arrangement commencement dates, generally with monthly or yearly repayments. Comparable trade payables have payment terms ranging from 30 days to 60 days. There are no security or guarantees provided relating to these arrangements. There were no significant non-cash changes in the carrying amounts of these supplier financing arrangements.
2. These facilities were sustainability linked loans which have been cancelled in FY26 and replaced by a new suite of committed bank facilities which are not sustainability linked.
3. This bond is a sustainability linked bond. The bond includes an increase to interest rate if the sustainability target is not achieved. The target was achieved as at 30 June 2026.
4. Norwegian krone.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.3 Debt (continued)

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

None of Spark's debt is secured and all debt ranks equally with other liabilities. There are no financial covenants over Spark's debt, however, there are certain triggers in the event of default, as defined in the various debt agreements. There have been no events of default over Spark's debt in the years ended 30 June 2026 and 30 June 2025.

The fair value of total debt based on market observable prices was $1,086 million compared to a carrying value of $1,069 million as at 30 June 2026 (30 June 2025: fair value of $1,489 million compared to a carrying value of $1,482 million).

4.4 Capital risk management

Spark manages its capital considering shareholders' interests, the value of Spark's assets, and the Company's credit rating. The Board is focused on the Company retaining a strong balance sheet, targeting metrics consistent with its current S&P Global credit ratings. At 30 June 2026, Spark's net debt to EBITDAI (including lease liabilities and other estimated credit rating agency adjustments) ratio was ~1.7x (2025: 2.2x).

As at 30 June 2026, the Company's S&P Global credit ratings for long-term and short-term debt was, respectively, A- and A-2 with outlook negative (30 June 2025: A- and A-2 with outlook negative).

Net debt

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

AS AT 30 JUNE	2026 $M	2025 $M
Cash and cash equivalents	(157)	(34)
Current debt at face value	166	417
Non-current debt at face value	934	1,085
Net debt at face value	**943**	**1,468**
To retranslate debt balances at swap rates where hedged by currency swaps	(45)	7
Net debt at hedged rates[1]	**898**	**1,475**
Non-cash adjustments		
Impact of fair value hedge adjustments[2]	4	7
Unamortised discount	(9)	(4)
Net debt at carrying value	**893**	**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.

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4.4 Capital risk management (continued)

A reconciliation of movements in net debt is provided below:

		CASH FLOWS			NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2026	NOTES	AS AT 1 JULY 2025 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2026 $M
Cash and cash equivalents		(34)	(11,325)	11,202	–	–	–	–	(157)
Current debt	4.3	412	1,964	(2,373)	–	3	14	145	165
Non-current debt	4.3	1,070	4,715	(4,785)	–	(10)	53	(139)	904
Derivatives		30	122	(107)	–	3	(67)	–	(19)
Net debt at carrying value		**1,478**	**(4,524)**	**3,937**	**–**	**(4)**	**–**	**6**	**893**

		CASH FLOWS			NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2025	NOTES	AS AT 1 JULY 2024 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2025 $M
Cash and cash equivalents		(59)	(16,466)	16,491	–	–	–	–	(34)
Current debt	4.3	414	2,219	(2,358)	(1)	–	–	138	412
Non-current debt	4.3	1,205	10,163	(10,221)	–	43	3	(123)	1,070
Derivatives		78	–	–	–	(45)	(3)	–	30
Net debt at carrying value		**1,638**	**(4,084)**	**3,912**	**(1)**	**(2)**	**–**	**15**	**1,478**

4.5 Equity and dividends

Share capital

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

YEAR ENDED 30 JUNE	2026 NUMBER	2025 NUMBER
Shares at the beginning of the year	1,889,322,507	1,814,155,480
Dividend reinvestment plan	–	74,185,274
Issuance of shares under share schemes and other transfers	807,601	981,753
Shares at the end of the year	**1,890,130,108**	**1,889,322,507**

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

Dividends[1]

	2026		2025	
YEAR ENDED 30 JUNE	CENTS PER SHARE	$M	CENTS PER SHARE	$M
Previous year second half-year dividend	12.5	236	14.0	254
First half-year dividend	8.0	151	12.5	230
Total dividends in the year	**20.5**	**387**	**26.5**	**484**
Second half-year dividend declared subsequent to balance date not provided for	8	151	12.5	236

1. Dividends paid disclosed above exclude supplementary dividends. For the year ended 30 June 2026, supplementary dividends paid were $20 million (30 June 2025: $37 million).

Events after balance date

On 19 August 2026 the Board approved the payment of a second-half ordinary dividend of 8.0 cents per share or approximately $151 million. This ordinary 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.

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NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.5 Equity and dividends (continued)

	H1 FY26 ORDINARY DIVIDENDS	H2 FY26 ORDINARY DIVIDENDS
Dividends declared		
Ordinary shares	8.0 cents	8.0 cents
American Depositary Shares[1]	24.16 US cents	23.41 US cents
Imputation		
Percentage imputed	50%	50%
Imputation credits per share	1.5556 cents	1.5556 cents
Supplementary dividend per share[2]	0.7059 cents	0.7059 cents
'Ex' dividend dates		
New Zealand Stock Exchange	19/03/2026	10/09/2026
Australian Securities Exchange	19/03/2026	10/09/2026
American Depositary Shares	20/03/2026	11/09/2026
Record dates		
New Zealand Stock Exchange	20/03/2026	11/09/2026
Australian Securities Exchange	20/03/2026	11/09/2026
American Depositary Shares	20/03/2026	11/09/2026
Payment dates		
New Zealand and Australia	10/04/2026	2/10/2026
American Depositary Shares	20/04/2026	12/10/2026

1. Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H2 FY26, these are based on the exchange rate at 12 August 2026 of NZ$1 to US$0.5852 and a ratio of five ordinary shares per one American Depositary Share. The actual exchange rate used for conversion is determined in the week prior to payment when the Bank of New York Mellon performs the physical currency conversion.
2. Supplementary dividends are paid to non-resident shareholders.

Dividend reinvestment plan

The company has a dividend reinvestment plan under which shareholders can elect to receive dividends in additional shares. The dividend reinvestment plan has been reinstated for the H2 FY26 dividend after being suspended in 2025. Shares issued under the dividend reinvestment plan will be issued at the prevailing market price determined in accordance with the terms of the plan, with no discount applied. The last date for shareholders to elect to participate in the dividend reinvestment plan for the H2 FY26 dividend is 14 September 2026. Spark's Dividend Reinvestment Plan Offer Document and Participation Notice can be found on Spark's Investor Centre Website: investors.sparknz.co.nz.

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Section 5 Financial instruments

5.1 Derivatives and hedge accounting

	2026		2025	
AS AT 30 JUNE	DERIVATIVE ASSETS $M	DERIVATIVE LIABILITIES $M	DERIVATIVE ASSETS $M	DERIVATIVE LIABILITIES $M
Designated in a cash flow hedge	3	(17)	–	(26)
Designated in a fair value hedge	9	–	11	(1)
Designated in a dual fair value and cash flow hedge	15	(5)	–	(40)
	27	**(22)**	**11**	**(67)**
Short-term derivatives	3	(1)	–	(7)
Long-term derivatives	24	(21)	11	(60)

Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange prices. This represents a level two measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within level one that are observable for the asset or liability. As at 30 June 2026 and 30 June 2025, no derivative financial assets or derivative financial liabilities have been offset in the statement of financial position. The potential for offsetting of any derivative financial instruments is $9 million (30 June 2025: $10 million), which if applied would result in a reduction of derivative assets and derivative liabilities.

Hedge accounting

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

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

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

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

Cash flow hedges

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

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

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Opening balance as at 1 July	(24)	12
Loss recognised in other comprehensive income	(4)	(48)
Amount reclassified to finance expense	12	9
Amount reclassified to property, plant, and equipment, intangible assets, and inventory	3	3
Total movements to other comprehensive income	**11**	**(36)**
Closing balance as at 30 June	**(13)**	**(24)**

Included within the closing balance at 30 June 2026 is $2 million relating to the cost of hedging reserve (30 June 2025: $3 million). The movement in the hedge reserves includes $9 million in the change in fair value of cross-currency and domestic interest rate swaps, less $3 million associated deferred tax, and $5 million for forward foreign exchange contracts (30 June 2025: $45 million in the change in fair value of cross-currency and domestic interest rate swaps, less $13 million associated deferred tax, and $4 million for forward foreign exchange contracts).

Fair value hedges

Interest rate swaps are designated in a fair value hedge to manage interest rate risk in relation to debt. The gain or loss from remeasuring the interest rate swaps and debt at fair value is recognised in the statement of profit or loss and other comprehensive income. During the year ended 30 June 2026, there has been no material ineffectiveness on fair value hedging relationships (30 June 2025: no material ineffectiveness) and as a result, no material changes have been recognised in profit and loss.

Dual fair value and cash flow hedges

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

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

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

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5.1 Derivatives and hedge accounting (continued)

The details of the hedging instruments are as follows:

AS AT 30 JUNE 2026	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGING INSTRUMENT ASSETS $M	CARRYING AMOUNT OF THE HEDGING INSTRUMENT LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS $M
Cash flow hedges					
Interest rate swaps	NZD 1b	Derivatives	–	(17)	(17)
Forward foreign exchange contracts	NZD 86m	Derivatives	3	–	3
Fair value hedges					
Interest rate swaps	NZD 425m	Derivatives	9	–	9
Fair value and cash flow hedges					
Cross-currency interest rate swaps	AUD 150m	Derivatives	13	–	13
Cross-currency interest rate swaps	AUD 125m	Derivatives	2	–	2
Cross-currency interest rate swaps	NOK 1b	Derivatives	–	(5)	(5)
			27	**(22)**	**5**

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

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NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

The details of hedged items are as follows:

AS AT 30 JUNE 2026	NOTES	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM ASSETS $M	CARRYING AMOUNT OF THE HEDGED ITEM LIABILITIES $M	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM ASSETS $M	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS $M
Cash flow hedges							
Aggregated variable interest rate exposure		–	–	–	–	–	17
Committed foreign exchange transactions		–	–	–	–	–	(3)
Fair value hedges							
Domestic Notes	4.3	Current and non-current debt	–	(434)	–	(9)	(9)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 150m)	4.3	Non-current debt	–	(179)	4	–	(13)
Australian Medium Term Notes (AUD 125m)	4.3	Non-current debt	–	(136)	16	–	(2)
Norwegian Medium Term Notes (NOK 1b)	4.3	Non-current debt	–	(166)	12	–	5
			–	**(915)**	**32**	**(9)**	**(5)**

AS AT 30 JUNE 2025	NOTES	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM ASSETS $M	CARRYING AMOUNT OF THE HEDGED ITEM LIABILITIES $M	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM ASSETS $M	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVE-NESS $M
Cash flow hedges							
Aggregated variable interest rate exposure		–	–	–	–	–	22
Committed foreign exchange transactions		–	–	–	–	–	4
Fair value hedges							
Domestic Notes	4.3	Non-current debt	–	(435)	1	(11)	(10)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 100m)	4.3	Current debt	–	(105)	3	–	2
Australian Medium Term Notes (AUD 150m)	4.3	Non-current debt	–	(160)	1	–	6
Australian Medium Term Notes (AUD 125m)	4.3	Non-current debt	–	(123)	12	–	13
Norwegian Medium Term Notes (NOK 1b)	4.3	Non-current debt	–	(154)	9	–	19
			–	**(977)**	**26**	**(11)**	**56**

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5.2 Financial risk management

a) Market risk

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

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

Currency risk

Nature of the risk

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

Exposure and risk management

Spark's total net exposure (from non-derivative financial instruments) to foreign currency as at 30 June 2026 is $530 million (30 June 2025: $578 million). This includes $178 million long-term debt principal denominated in NOK (30 June 2025: $163 million) and $335 million long-term debt principal denominated in AUD (30 June 2025: $405 million). The remaining exposure is primarily trade payables and other receivables denominated in United States dollars (USD).

Spark manages currency risk arising from foreign currency debt through hedging. Spark's long-term debt issued in NOK and AUD is fully hedged using cross-currency interest rate swaps to convert foreign currency cashflows into floating-rate New Zealand dollar exposures.

Currency risk from capital and operational expenditure in foreign currencies (and related trade payables) has been substantially hedged by entering into forward foreign exchange contracts.

Sensitivity to foreign currency movements

As at 30 June 2026, a movement of 10% in the New Zealand dollar would (after hedging) impact the statement of profit or loss by $1 million to $3 million (30 June 2025: less than $2 million) and the statement of changes in equity by $8 million to $10 million (30 June 2025: $9 million to $15 million). This analysis assumes a movement in the New Zealand dollar across all currencies and only includes the effect of foreign exchange movements on monetary financial instruments.

Interest rate risk

Nature of the risk

Interest rate risk is the risk that fluctuations in interest rates impact Spark's cash flows, financial performance or the fair value of its holdings of financial instruments.

Exposure and risk management

Spark is exposed to interest rate risk from its financing activities, which primarily include loans and debt issuance either at fixed or floating rates. For floating-rate exposures Spark employs the use of derivative financial instruments to reduce its exposure to fluctuations in interest rates, with the objective to minimise the cost of net borrowings and to minimise the impact of interest rate movements on interest expense and net earnings.

Cross-currency interest rate swaps are used to convert foreign currency debt into floating-rate New Zealand dollar exposures. Interest rate swaps are used to convert floating-rate exposures into fixed-rate exposures and vice versa. As a result, Spark's interest rate exposure is limited to New Zealand only.

Sensitivity to interest rate movements

As at 30 June 2026, a movement in interest rates of 25 basis points would (after hedging) impact the statement of profit or loss by less than $1 million (30 June 2025: less than $1 million) and the statement of changes in equity by $3 million to $4 million (30 June 2025: $4 million to $5 million).

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.2 Financial risk management (continued)

b) Credit risk

Nature of the risk

Credit risk arises in the normal course of Spark's business on cash, receivables, and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management

Spark is exposed to credit risk if customers and counterparties fail to make payments in respect of:

- Payment of trade and other receivables as they fall due; and
- Contractual cash flows of derivative assets held at fair value.

Spark's assets subject to credit risk as at 30 June 2026 were $1,158 million (30 June 2025: $1,158 million).

Spark considers the probability of default upon initial recognition of cash and cash equivalents, receivables, and derivative assets and whether there has been a significant and ongoing increase in credit risk at the end of each reporting period. To assess this Spark compares the risk of default occurring on these assets at the reporting date, with the risk of default at the date of initial recognition. Available, reasonable and supportive forward-looking information is considered, especially the following indicators:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer or counterparty's ability to meet their obligations; and
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Spark considers a financial asset to have low credit risk when the asset is held with a high-credit quality financial institution or with a party that has a strong financial position with no past due amounts.

Spark manages its exposure using a credit policy that includes limits on exposures with significant counterparties that have been set and approved by the Board and are monitored on a regular basis. Spark places its cash and cash equivalents and derivative financial instruments with high-credit quality financial institutions and does not have significant concentration of risk with any single financial institution. Spark has finance lease receivables which are deemed low credit risk. Concentration of credit risk for trade and other receivables is limited because of Spark's large customer base.

Letters of credit and guarantees may be held over some receivable amounts. The carrying amounts of financial assets represent the maximum credit exposure.

c) Liquidity risk

Nature of the risk

Liquidity risk represents Spark's ability to meet its contractual obligations as they fall due.

Exposure and risk management

Spark uses cash and cash equivalents, debt, and derivative financial instruments to manage liquidity and evaluates its liquidity requirements on an ongoing basis. In general, Spark generates sufficient cash flows from its operating activities to meet its financial liabilities. As at 30 June 2026, Spark had current assets of $1,271 million and current liabilities of $926 million (30 June 2025: current assets of $1,438 million and current liabilities of $1,066 million). Positive operating cash flows enable working capital to be managed to meet short-term liabilities as they fall due.

In the event of any shortfalls Spark has the following financing programmes:

- Undrawn committed bank facilities of $500 million with New Zealand and international banks (30 June 2025: $625 million facilities including the standby facility with $195 million drawn)
- Undrawn committed bank overdraft facilities of $15 million with New Zealand banks (30 June 2025: $15 million).

There are no compensating balance requirements associated with these facilities.

Spark's liquidity policy is to maintain unutilised committed facilities of at least 110% of the next 12 months' forecast peak net funding requirements, including coverage for short-term capital market issues and uncommitted facilities. Spark's funding policy requires that no more than 30% of total debt (including undrawn and standby facilities) can mature within any rolling 12 month period, which has been met.

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5.2 Financial risk management (continued)

c) Liquidity risk (continued)

Maturity analysis

The following table provides an analysis of Spark's remaining contractual cash flows relating to non-derivative financial liabilities and derivative financial assets and liabilities. Contractual cash flows include contractual undiscounted principal and interest amounts.

AS AT 30 JUNE 2026	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	383	383	383	–	–	–	–
Sale and leaseback liabilities	51	58	9	14	17	18	–
Lease liabilities	832	1,065	74	75	142	285	489
Debt	1,069	1,227	175	30	222	614	186
Derivative financial assets and liabilities							
Interest rate swaps (net settled)	8	8	3	1	2	1	1
Cross-currency interest rate swaps (gross settled)							
Inflows	(15)	(556)	(5)	(11)	(196)	(344)	–
Outflows	5	528	11	11	184	322	–
Forward foreign exchange contracts (gross settled)							
Inflows	(3)	(90)	(83)	(7)	–	–	–
Outflows	–	86	80	6	–	–	–
	2,330	**2,709**	**647**	**119**	**371**	**896**	**676**

AS AT 30 JUNE 2025	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	321	321	321	–	–	–	–
Sale and leaseback liabilities	49	53	17	14	12	10	–
Lease liabilities	867	1,170	77	72	134	319	568
Debt	1,482	1,667	382	148	182	768	187
Derivative financial assets and liabilities							
Interest rate swaps (net settled)	12	13	3	3	4	3	–
Cross-currency interest rate swaps (gross settled)							
Inflows	–	(623)	(6)	(119)	(15)	(483)	–
Outflows	40	663	14	120	23	506	–
Forward foreign exchange contracts (gross settled)							
Inflows	–	(107)	(82)	(15)	(10)	–	–
Outflows	4	110	83	15	12	–	–
	2,775	**3,267**	**809**	**238**	**342**	**1,123**	**755**

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NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

Section 6 Other information

6.1 Income tax

Income tax expense

The income tax expense is determined as follows:

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Statement of profit or loss and other comprehensive income			
Current income tax			
Current year income tax expense (excluding adjusting items)		(60)	(90)
Current year income tax expense on adjusting items[1]	2.5	(4)	15
Adjustments in respect of prior periods		(4)	(2)
Deferred income tax			
Depreciation, provisions, accruals, tax losses, and other adjustments (excluding adjusting items)		(23)	(15)
Adjustments in respect of prior periods		3	(3)
Income tax expense from continuing operations recognised in the statement of profit or loss and other comprehensive income[2]		**(88)**	**(95)**

1. FY26 relates to the tax effect of the $13 million gain on the land related to the sale of the data centre business (FY25: the tax effect of the $53 million of transformation costs associated with Spark's SPK-26 Operate Programme).
2. Income tax expense from discontinued operation is $5 million (FY25: $3 million), see note 1.4 for further details.

Reconciliation of income tax expense

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Net earnings before income tax from continuing operations	**574**	**347**
Tax at current rate of 28%	(161)	(97)
Adjustments to taxation		
Non-assessable gains on sale[1]	78	20
Other non-assessable items	4	(4)
Tax effects of non-New Zealand profits	(8)	(9)
Adjustments in respect of prior periods	(1)	(5)
Total income tax expense from continuing operations[2]	**(88)**	**(95)**

1. FY26 includes the tax effect of the $278 million net gain on sale of the data centre business (FY25: includes the tax effect of the $71 million net gain on sale of investment in Connexa).
2. Income tax expense from discontinued operation is $5 million (FY25: $3 million).

Pillar Two legislation

As a large multinational enterprise (MNE) with annual revenue in excess of €750m, Spark is within the scope of the OECD Pillar Two initiative (Pillar Two) and the associated Global Anti-Base Erosion (GloBE) rules that enforce Pillar Two. Spark has performed an assessment of its potential exposure to GloBE top-up taxes utilising the GloBE temporary safe harbour thresholds (Safe Harbour) and has concluded there is no material impact on its consolidated financial position as at 30 June 2026 (FY26). This position is expected to remain through to FY28, being the current duration of the Safe Harbour period. Spark's FY25 GloBE reporting obligations related to Australia and the United Kingdom are due 31 December 2026, registration for this reporting has been completed and we are in a position to file by the due date.

Incorporating Integrated Reporting

6.1 Income tax (continued)

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset in the statement of financial position and presented as a net deferred tax asset/(liability). The movements in the deferred tax assets and liabilities are provided below:

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2025	(90)	102	10	(11)	11
Amounts recognised in the statement of profit or loss and other comprehensive income					
Relating to the current period	(1)	(11)	(3)	(10)	(25)
Adjustments in respect of prior periods	–	1	–	2	3
Amounts recognised in equity relating to the current year	–	–	–	1	1
Closing balance as at 30 June 2026	**(91)**	**92**	**7**	**(18)**	**(10)**

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2024	(88)	106	11	(12)	17
Amounts recognised in statement of profit or loss and other comprehensive income					
Relating to the current period	–	2	(3)	(14)	(15)
Adjustments in respect of prior periods	(2)	(6)	2	3	(3)
Amounts recognised in equity relating to the current year	–	–	–	12	12
Closing balance as at 30 June 2025	**(90)**	**102**	**10**	**(11)**	**11**

Spark has not recognised the tax effect of accumulated unrestricted losses and temporary differences amounting to AU$461 million at 30 June 2026 based on the relevant corporation tax rate of Australia (30 June 2025: AU$461 million). These losses and temporary differences may be available to be carried forward to offset against future taxable income. However, utilisation is contingent on the production of taxable profits over a significant period of time and is subject to compliance with the relevant taxation authority requirements.

Spark has a negative 23 million imputation credit account balance as at 30 June 2026 due to the timing of dividend and tax payments (30 June 2025: negative 53 million). The imputation credit account had a positive balance as at 31 March 2026.

Spark has a $157 million taxation recoverable at 30 June 2026 (30 June 2025: $114 million). This reflects higher provisional tax payments (including for imputation credit account purposes) and lower than expected taxable earnings in the period to offset those payments.

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NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.2 Employee share schemes

Spark operates a share-based compensation plan that is equity settled as outlined below.

Share option scheme

From September 2019, members of the Leadership Team (including the CEO) and selected senior leaders have been granted options under the Spark Long-Term Incentive (LTI) scheme. Under the scheme participants are granted options at the start of the three-year vesting period. The number of options granted equals the gross LTI value divided by the volume weighted average price (VWAP) of Spark New Zealand shares for the 20 days prior to the grant date. Subject to satisfaction of the performance hurdle and continued employment, at vesting each option converts to a Spark share based on a zero exercise price. If the target is not met (or the participant leaves Spark employment) then the options simply lapse, with exceptions for redundancy, death, and disablement. Spark enables participants to meet tax obligations through PAYE by authorising the sale of a sufficient number of shares on their behalf.

Vesting of the LTI grants are contingent on participants' continued employment with Spark for three years from grant date (subject to exceptions) and the Company achieving the specified performance hurdles. The performance hurdle targets are set annually. For grants issued in 2023, 2024, and 2025, 75% of the allocated shares will vest based on the performance hurdle target of the Company's cost of equity plus 1.5% compounding annually and 25% will vest based on performance against environmental and diversity targets.

In September 2025, Spark introduced the Transformation Delivery Incentive (TDI) Scheme, a one-off share-based incentive scheme for selected employees designed to support delivery of Spark's transformation and performance reset programme. Participants were granted options based on a 20-day VWAP prior to grant date, with a two-year vesting period ending in September 2027. Vesting is subject to continued employment, achievement of specified transformation performance hurdles, and gateway conditions requiring both (i) Spark's share price at vesting (measured using a 20-day VWAP) to exceed the grant-date share price and (ii) achievement of an FY27 exit run rate savings target of $140 million. Performance hurdles comprise measures linked to transformation benefits and operating model targets. Upon vesting, each option converts to one Spark share for nil consideration.

Options with an intrinsic value of $9 million (30 June 2025: $8 million) remain outstanding at 30 June 2026 and have a weighted average remaining life of 1.4 years (30 June 2025: 1.4 years).

Information regarding options awarded under this scheme is as follows:

	2026 OPTIONS[1] NUMBER OF OPTIONS	2025 OPTIONS[1] NUMBER OF OPTIONS
Opening balance as at 1 July	3,348,328	3,220,983
Granted	2,549,374	1,738,184
Vested	(69,577)	(14,119)
Lapsed	(1,142,017)	(1,596,720)
Closing balance as at 30 June	**4,686,108**	**3,348,328**
Percentage of total ordinary shares	0.25%	0.18%

1. All options have a nil exercise price.

The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense, with a corresponding entry in equity. The total charge recognised for this scheme for the year ended 30 June 2026 was $1.5 million (30 June 2025: $1.5 million). As at 30 June 2026, $2.1 million of share scheme awards remain unvested and not expensed (30 June 2025: $2.1 million). This expense, measured at its fair value based on a valuation model, will be recognised over the remaining vesting period of the awards.

On 22 September 2025, the majority of the grants issued in 2023 were not vested and lapsed in FY26, with the exception of 48,750 options which vested in accordance with the scheme rules. Additionally, 20,827 options granted in 2024 converted to ordinary shares and transferred in line with the business sale provisions in the scheme rules. The aggregate of the estimated fair values of the options granted in September 2025 is $2 million (options granted in September 2024: $2 million).

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6.3 Related party transactions

Related parties of Spark include the associate and joint venture companies listed in note 3.3 and key management personnel detailed below.

Interest of directors in certain transactions

The Group entered into transactions during the year with entities associated with certain directors in the ordinary course of business.

Transactions with associate and joint venture companies

Spark's FY26 and FY25 transactions with associates and joint ventures include the following:

- Spark provided network operations and management services to Southern Cross in respect of its operations in New Zealand
- Spark made payments to Southern Cross in connection with capacity it has purchased on Southern Cross' network
- Spark made payments to Southern Cross for operational expenditure relating to cable maintenance
- Spark received dividend income and a return of capital from Southern Cross, with the return of capital effected through a capital reduction
- Spark received revenue from Rural Connectivity Group for the sale of mobile backhaul equipment
- Spark made payments to Rural Connectivity Group for its share of the joint venture's operating costs
- Spark received payments from Hourua Limited for milestones delivered for the Public Safety Network and for use of Spark's corporate office space
- Spark received revenue from TenPeaks for agency services, leases, and operating charges. Spark also made payments to TenPeaks for electricity cost recoveries, labour, and sundry costs. Further details of ongoing transactions between TenPeaks and Spark impacting the balance sheet can be found in note 1.4.
- Spark made payments to Connexa for access to mobile towers, this includes lease and operating charges. Spark also received payments from Connexa for transition services, rental recovery, maintenance, site build, and interest on shareholder loans until the sale of investment on 28 February 2025. Connexa was an associate of Spark until 28 February 2025, when Spark sold its remaining shareholding.

The outstanding balances are unsecured and there have been no guarantees provided or received.

Balances and amounts in respect of these transactions with associate and joint venture companies excluding Connexa and TenPeaks are set out in the table below:

AS AT AND FOR THE YEAR ENDED 30 JUNE	2026 $M	2025 $M
Revenues	8	11
Expenses	(11)	(7)
Capacity acquired and other capital expenditure[1]	(14)	(3)
Receivables	2	1
Payables	–	(5)

1. As at 30 June 2026, Spark has committed to purchases of $27 million for cable capacity from Southern Cross (30 June 2025: $19 million).

The significant related party balance sheet amounts with TenPeaks are separately disclosed in note 1.4. The table below has the profit and loss amounts with Connexa in FY25 up until its disposal on 28 February 2025 and with TenPeaks in FY26 from the 30 January 2026 investment date.

FOR THE YEAR ENDED 30 JUNE	2026 $M	2025[1] $M
Revenues	2	21
Expenses	(1)	(11)

1. Including interest income on shareholder loans.

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.3 Related party transactions (continued)

Key management personnel compensation

YEAR ENDED 30 JUNE	2026 $'000	2025 $'000
Directors' remuneration[1]	1,444	1,371
Salary and other short-term benefits	9,955	5,911
KiwiSaver	273	157
Share-based compensation	892	814
	12,564	**8,253**

1. Excludes Chief Executive remuneration.

The table above includes remuneration of the Chief Executive and the other members of the Leadership Team, including amounts paid to members of the Leadership Team who left during the year ended 30 June or were in acting Leadership Team positions. Like other Spark employees, members of the Leadership Team also receive product and service concessions. In addition, where members of the Leadership Team are KiwiSaver members, they receive contributions towards their KiwiSaver schemes.

6.4 Subsidiaries

Subsidiaries are all entities over which Spark has control. The significant subsidiary companies of Spark and their activities are as follows:

NAME	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Entelar Group Limited	New Zealand	100%	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services
Gen-i Australia Pty Limited	Australia[1]	100%	Provides international wholesale and outsourced telecommunications services
MATTR Limited	New Zealand	98%	Software company focused on decentralised identity and verifiable data
Qrious Limited	New Zealand	100%	Data analytics business
Spark Finance Limited	New Zealand	100%	A Group finance company
Spark New Zealand Trading Limited	New Zealand	100%	Telecommunications and digital services company
TCNZ (Bermuda) Limited	New Zealand	100%	A holding company
Teleco Insurance Limited	Bermuda[1]	100%	A Group insurance company
Telecom New Zealand USA Limited	United States[1]	100%	Provides international wholesale telecommunications services
Telecom Southern Cross Limited	New Zealand	100%	A holding company

1. These foreign incorporated entities are tax resident in New Zealand.

Computer Concepts Limited and Revera Limited were amalgamated into Spark New Zealand Trading Limited on 1 June 2026.

The financial year end of all significant subsidiaries is 30 June.

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6.5 Reconciliation of net earnings to net cash flows from operating activities

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Net earnings for the year		499	260
Adjustments to reconcile net earnings to net cash flows from operating activities			
Depreciation and amortisation	1.4, 2.4	602	604
Bad and doubtful accounts	3.1	20	22
Deferred income tax		8	18
Share of associates' and joint ventures' net losses	2.4, 3.3	2	6
Interest income on loans receivable from associates and joint ventures	2.4	–	(8)
Fair value gain on receivable measured at FVTPL	2.4	(1)	–
Net gain on sale and acquisition of property, plant, and equipment, and intangible assets	2.2	(12)	(8)
Net gain on lease modifications and terminations	2.2	(22)	(24)
Net gain on sale of Connexa investment	2.2	–	(71)
Net (gain)/loss on sale of long-term businesses	1.4, 2.2	(278)	1
Loss on sale of IFP receivables	1.5, 2.4	14	–
Other		2	5
Changes in assets and liabilities net of effects of non-cash, investing, and financing activities			
Movement in receivables and related items		146	13
Movement in inventories		(11)	6
Movement in current taxation		(43)	(108)
Movement in payables and related items		118	(36)
Net cash flows from operating activities		**1,044**	**680**

6.6 Commitments and contingencies

Capital and other commitments

As at 30 June 2026, capital expenditure contracted for, but not yet incurred, was $949 million (30 June 2025: $821 million) with $332 million due in the year ending 30 June 2027. Commitments principally relate to telecommunications network equipment and cable capacity.

As at 30 June 2026, Spark had other supplier commitments of $1,581 million (30 June 2025: $1,361 million), with $721 million due in the year ending 30 June 2027. Commitments include mobile handsets, subscription services, modems, licences, service and maintenance renewals, technology delivery partnerships, and power purchase agreements.

Contingencies

No ongoing claims, investigations, or inquiries are expected to have a significant effect on Spark's financial position or profitability.

6.7 Events subsequent to balance date

On 27 July 2026, Spark announced a new organisational structure comprising two divisions, Connectivity and Digital Services, supported by centralised shared functions. Connectivity will encompass consumer mobile, broadband, and business connectivity, including managed services, collaboration, IoT, and security. Digital Services will comprise cloud, IT services, and adjacent products. Changes to the Spark segment structure will be reflected in Spark's FY27 reporting.

Spark also announced that the Board has commenced a strategic review of the Digital Services division to assess options to maximise shareholder value. The review is expected to be completed during the first half of FY27.

As at the date of authorisation of these financial statements, no decisions have been made regarding any transaction arising from the review and there is no certainty that the review will result in a transaction, or as to the terms or value of any potential outcome. Accordingly, the announcement has been assessed as a non-adjusting event after the reporting period and no adjustment has been made to the carrying amounts of assets and liabilities recognised as at 30 June 2026. The financial impact of any future outcome cannot presently be reliably estimated.

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Independent auditor's report

To the Shareholders of Spark New Zealand Limited

Opinion

We have audited the consolidated financial statements of Spark New Zealand Limited and its subsidiaries (the 'Group'), which comprise the statement of financial position as at 30 June 2026, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 71 to 121, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

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

In addition to the audit we carried out other engagements including a review of the interim financial statements, agreed upon procedures in relation to the sustainability linked loans and assurance services relating to regulatory audit requirements and greenhouse gas emissions (GHG) reported in the GHG Inventory Report and in the Climate-related Disclosures. We also provided non-assurance services including an HR Business Partner training programme, tax advisory services and administrative and other advisory services provided to the Corporate Taxpayers Group, of which the Group is a member.

The Chief Executive has extended family members who are partners at Deloitte and who are not involved in the provision of any services to the Group; this matter has not impacted our independence. Also, the firm, its partners and employees deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $26,000,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Revenue recognition: Total revenue from continuing operations Group revenue comprises Mobile, Broadband, Voice, Other connectivity, Cloud, IT services management, Procurement and Partners, and Other products. Revenue recognition is considered to be a key audit matter, particularly for certain customer contracts which have an elevated risk and complexity around the accuracy of amounts and timing of revenue recognised due to: • The involvement of multiple elements in some arrangements which may be new or changing, are processed through several billing and operational systems, and require judgement; and • Bespoke customer contracts for products and services with added complexity due to scale of contract and multi-year time frames. The judgements and estimates which significantly impact the accuracy of revenue recognition include: • Identifying the separate performance obligations; • Determining and allocating the transaction price to the separate performance obligations; and • Assessing whether the performance obligations are processed at a point in time or over time. Disclosures relating to revenue recognition and the revenue stream breakdown can be found in Note 2.2 Operating revenues and other gains.	Our audit procedures included: • Obtaining an understanding of the nature of the various revenue streams and the related billing and revenue recording processes, systems and controls; • Evaluating the design and implementation of key system and business process controls over the capture, processing and recording of revenue transactions; • With the assistance of our technology specialists, testing key IT controls, interfaces and automated controls supporting significant billing and revenue systems for Mobile and Broadband revenue streams; • For new or modified complex customer contracts: – challenging the Group's assessment for each performance obligation about whether the customer can benefit from the product or service on its own or together with readily available resources; – assessing the allocation of the transaction price to the performance obligations by comparing the stand-alone selling price assigned to observed market prices or estimated prices; and – examining the stages at which revenue for each performance obligation is recognised; • Performing substantive analytical procedures over significant revenue streams; • Testing selected manual journal entries impacting revenue; and • Evaluating the appropriateness of revenue-related disclosures in the financial statements.
Accounting for transformative, significant transactions The Group's SPK-30 strategy represents a multi-year transformation programme to invest in its core connectivity business, while simplifying non-core digital services. In the pursuit of this strategy, transactions are occurring outside of normal business operations which can be complex and require additional audit effort. In the current year, there have been two transactions which we have identified as a key audit matter for this reason and due to their collective impact on the financial statements: • The divestment of a data centre business to TenPeaks, resulting in the recognition of a net gain on sale of $278m. This gain was determined after estimating the fair value of a contingent consideration receivable of $83m (refer Note 1.4); and • A series of transactions to sell interest-free-payment plan ('IFP') receivables to Challenger with a carrying value of $356m (excluding the associated expected credit loss allowance provision), resulting in a net loss of $14m (refer Note 1.5). This required judgement to assess whether the sale of IFP receivables results in derecognition and to determine the extent of Spark's continuing involvement.	Our audit procedures included: • Obtaining an understanding of the substance of each transaction; • Reading relevant legal and contractual agreements in relation to each transaction and through discussions with key personnel; • Evaluating the proposed accounting treatment of each transaction and its impact on the carrying values of associated assets and liabilities, with particular focus on: – Assessing the Group's measurement of the contingent consideration asset, arising from the data centre business divestment including challenging whether certain performance-based objectives will be met; – Challenging the Group's assessment of the derecognition criteria for the IFP receivables transaction, and assessing the extent of any continuing assets or liabilities; • Evaluating the adequacy of the disclosures relating to the transactions in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report as well as the Climate-related Disclosures Report FY26.

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

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Melissa Collier, Partner for Deloitte Limited

Auckland, New Zealand

20 August 2026

This audit report relates to the consolidated financial statements of Spark New Zealand Limited (the 'Company') for the year ended 30 June 2026 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 30 June 2026 to confirm the information included in the audited consolidated financial statements presented on this website.

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Appendix

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Spark's managing risk framework roles and responsibilities

Activity performed	Board & ARMC	Leadership Team (LT)	Risk	Legal / Privacy	Org unit leads	Centre of Excellence leads	Policy owners	All Spark people
Approves Spark's strategy and annual plan	✔							
Approves the Managing Risk Policy	✔							
Monitors the Managing Risk Framework	✔							
Reviews principal risk dashboard (quarterly)	✔							
Performs other items from its Charter	✔							
Prepares strategy and annual plan		✔						
QBR[1] process and next 90-day priorities		✔						
Coaches and guides leads		✔						
Owner for principal risks		✔						
Designs and continuously improves the Managing Risk Framework			✔					
Helps the business apply the framework			✔					
Profiles the principal and next 90-day risks for LT and ARMC			✔					
Helps leads to capture their risks for the QBR memo			✔					
Executes Internal Audit plan (objective assurance)			✔					
Designs and continuously improves the Empowerment Framework				✔				
Creates empowerment & functional guidance kits				✔				
Oversees essential policies and webpage				✔				
Creates and delivers training modules				✔				
Uses the Empowerment and Managing Risk frameworks					✔			
Understands and adheres with the essential policies					✔			
Maintains view of risks for OKRs[2] and fills in QBR memo					✔			
Provides input into principal risk process					✔			
Escalates risks to LT or Risk team (if required)					✔			
Reviews risk sections in QBR packs across Spark						✔		
Maintains view of risks for their OKRs and fills in QBR						✔		
Supports leads to manage identified risks						✔		
Provides input into principal risks						✔		
Maintains policy and guidance material							✔	
Completes assessments of effectiveness							✔	
Participates in policy owner working groups							✔	
Follows this framework and the essential policies								✔
Makes informed decisions after assessing the benefits and risks								✔

1. QBR – Quarterly Business Review.
2. OKR – Objectives and Key Results.

Lapsed Managing Risk Policy

Sustainability

As an integrated report we have included disclosure on our ESG performance throughout this report. Pages 12–13 detail our integrated reporting value-creation model, aligned to the 'capitals' which align to individual sections in the report.

This report is prepared in accordance with the Integrated Reporting <IR> Framework and with the Global Reporting Initiative (GRI) Core Option.

We publish a summary of our approach to sustainability at Spark on our website. https://www.spark.co.nz/sustainability/

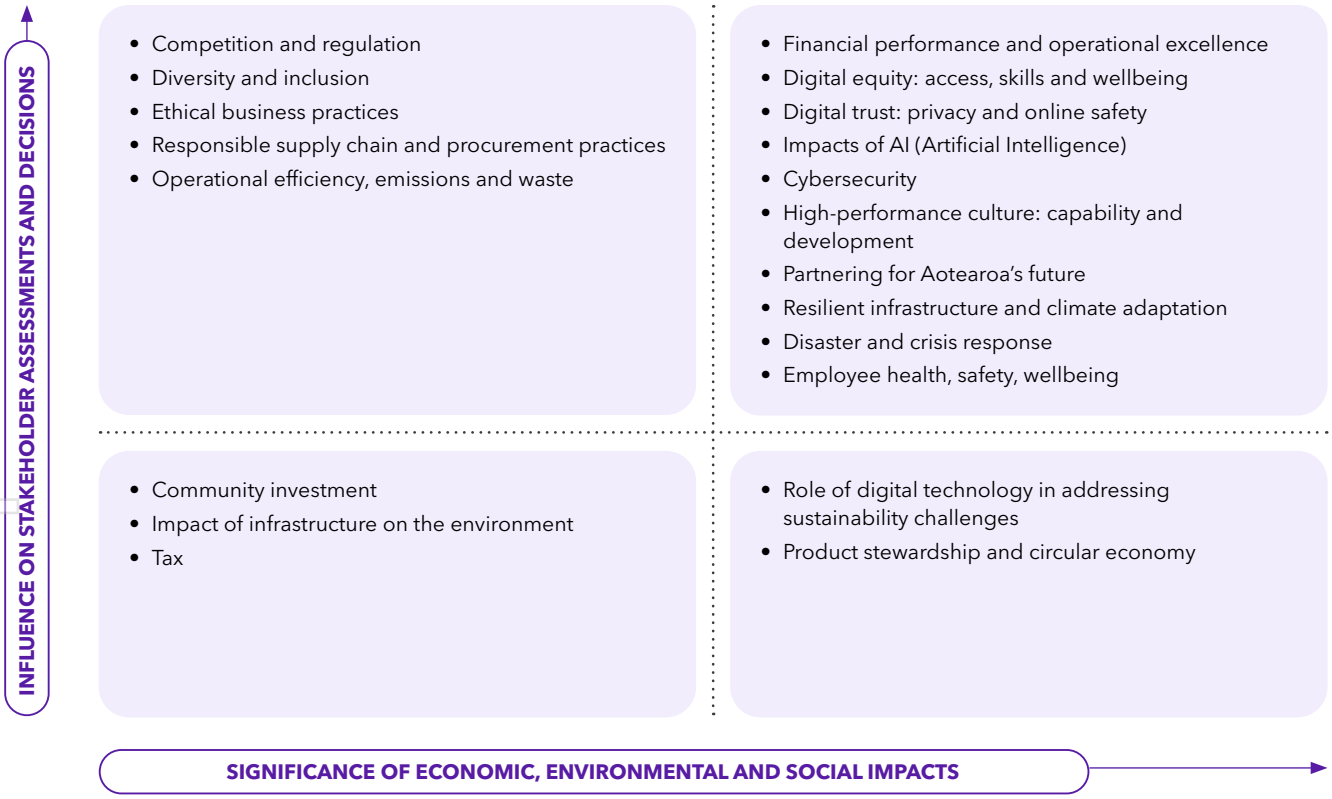
Materiality

To prioritise Spark's reporting on sustainability topics, we follow the GRI materiality principle and processes (set out in *GRI 3: Material Topics 2021*) to identify and prioritise topics that substantively influence decisions or have a significant environmental, social, or economic impact. We also consider the materiality principles of the Integrated Reporting <IR> Framework, considering whether a matter could substantively affect Spark's ability to create value in the short, medium, or long term.

We refresh our materiality analysis annually through analysis of stakeholder feedback, review of global peers and sector research, and engagement with internal and external stakeholders.

This ensures we capture all material topics and enables us to identify emerging topics. Our materiality review for FY26 has highlighted the increasing importance of online safety, including protection from online scams, and managing the impact of social media on young people. An increase in concern related to trust in AI technologies and its environmental impacts was also observed.

Our materiality matrix maps our material topics, with our assessment of the significance of economic, environmental and social impacts mapped on the horizontal 'x' axis, and the scale of influence on stakeholder assessments and decisions mapped on the 'y' vertical axis, reflecting feedback and questions received from stakeholders related to our ESG reporting.



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Our most material sustainability issues

Topic	Topic description and scope	Reference
Resilient infrastructure and climate adaptation	The resilience of our infrastructure. Our long-term adaptation to climate change.	Our network and technology Pages 26–29 Refer to Climate-related Disclosures Report
Employee health, safety, wellbeing	Providing a safe and healthy working environment, including physical and mental wellbeing, and supporting people and teams impacted by organisational change.	Our people Pages 38–43
Cybersecurity	The security and resilience of our networks, systems, products and services, and how we protect customer, company and partner information from cyber threats.	Our customers Pages 20–25
Digital trust: privacy and online safety	How we collect, use, store and share personal information, keep it safe, and help build trust in digital technology by supporting safer online experiences.	Our customers Pages 20–25
Impacts of AI	The responsible use of AI and its impacts on trust in technology, decision-making, work, skills and workforce transition.	Data ethics and governance Page 64
Digital equity: access, skills and wellbeing	This includes digital access, affordability and removing barriers to people getting connected; digital skills and career pathways into the technology sector; and supporting people to participate confidently and safely in an increasingly digital world.	Our communities Pages 34–37
Disaster and crisis response	The role of telecommunications in responding to natural disasters and crisis events.	Our network and technology Pages 26–29
High-performance culture: capability and development	Creating the conditions for high performance by developing capability, fostering growth and inclusion, and enabling our people to adapt, perform and contribute to Spark's long-term success.	Our people Pages 38–43
Financial performance and operational excellence	Executing our business strategy to build financial capital.	Our performance Pages 14–17 Financial statements Page 69
Partnering for Aotearoa's future	How we partner and collaborate across Aotearoa, guided by the principles of Te Tiriti, and the role our technology plays in lifting productivity and enabling growth for New Zealand.	Our communities Pages 34–37 Our people Page 41

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Stakeholder engagement

Spark engages with a broad range of stakeholders as detailed in the table below. In selecting stakeholders to engage with, we are guided by the definition set out in GRI 101: "entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products or services; or whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives".

Stakeholder group	How we engage
Spark employees	• Regular engagement surveys and use of 'sounding boards' on large programmes of work • Comprehensive programme of internal communications and engagement from Leadership Team (through roadshows and online channels) • Engagement with cross-section of employees in the preparation of this report
Shareholders	Regular engagement with investors including: • Semi-annual earnings announcements, together with semi-annual post-result investor briefings • Annual meeting that allows shareholders a chance to meet and ask questions directly of the Spark Board and Leadership Team • Regular investor roadshows • Periodic investor strategy briefings
Strategic global partners	• Established partnership governance in place with senior representatives from both organisations to ensure the partnership is operating to achieve mutual outcomes • Dedicated partner managers are in place for day-to-day operational engagement
Suppliers	• Ongoing conversations with our suppliers – both informal and formal • Annual supplier ESG survey of high-risk/priority suppliers
Customers	• Regular feedback from customers on their experiences with us and their views of Spark as a business through our Net Promoter Score methodology and through our Voice of the Customer programme • Meetings with customers on sustainability topics, sharing sustainability focus areas and exploring opportunities to work together
Government	• Engagement with central Government on issues related to the telecommunications industry, infrastructure investment, environmental sustainability, and digital equity • Engagement with local government to manage the process and impacts of infrastructure investment
Media	• Responding to media enquiries and through a proactive programme of engagement with key members of New Zealand's media
Local communities	• Engagement with local communities, iwi, and hapū affected by our activities, in particular, where we are building new network infrastructure • Deployed hardware and connectivity to over 650 marae, and established relationships with hapū across the country, through our Marae Digital Connectivity programme • Having a range of partners that help us support impactful initiatives that uplift Hapori Māori, through Te Korowai Tupu
Community partners	• Working in partnership with community partners on an ongoing basis via Spark Foundation
Industry organisations	• Engagement with a number of industry organisations, representing the telecommunications and technology sector, community groups, and the New Zealand business community

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External initiatives Spark subscribes to or endorses

- Spark is a founding member of the Climate Leaders Coalition (CLC). The CLC is a group of CEOs who have collectively committed to voluntary action on climate change, measuring and publicly reporting on their emissions, and setting an absolute target for reducing emissions in line with the Paris Agreement.
- Spark has committed to a voluntary Product Stewardship scheme for mobile phones, which is actioned by the Re:Mobile initiative.
- Spark's Chief Marketing and Corporate Affairs Officer, Leela Ashford is part of the Ministry for the Environment's Climate Business Advisory Group, and the Department of Internal Affairs' Independent Reference Group, which maintains oversight of the operation of the Digital Child Exploitation Filtering System (DCEFS).

Spark was an active member of the following associations in FY26:

- International Telecommunication Union (Radiocommunication Sector membership)
- 3rd Generation Partnership Project (3GPP)
- Infrastructure New Zealand
- GSM Association (GSMA)
- New Zealand Internet Task Force
- Telecommunications Forum (TCF)
- NZTech
- TUANZ
- Business NZ
- Sustainable Business Council
- Global Women (including Champions for Change)
- JAC (the Joint Alliance for CSR)
- Digital Equity Coalition Aotearoa (DECA) (membership through Spark Foundation)

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Glossary

3G	third-generation mobile network as defined by the International Telecommunication Union.
4G	fourth-generation mobile network as defined by the International Telecommunication Union.
5G	fifth-generation mobile network as defined by the International Telecommunication Union.
5G standalone	a network that has a 5G core as well as 5G on mobile towers rather than non-standalone 5G, which uses a combination of existing 4G LTE architecture with a 5G radio access network (RAN).
ARMC	the Audit and Risk Management Committee.
ARPU	average revenue per user.
ASX	the Australian Securities Exchange.
Company	Spark New Zealand Limited.
EBITDAI	earnings before finance income and expense, income tax, depreciation, amortisation, and net investment income.
GRI	the Global Reporting Initiative.
Group	the Group in relation to the financial statements, which are prepared for Spark New Zealand Limited (the Company) and its subsidiaries (together the Group).
HRCC	the Human Resources and Compensation Committee.
iNPS	interaction net promoter score, a measure of customer satisfaction.
IoT	the internet of things.
IFRS	International Financial Reporting Standards.
LTI	Long-Term Incentive, which is part of the Spark Leadership Team and CEO's remuneration.
Network slicing	allows the operator to 'slice' its network to support different types of services through each 'slice'. Multiple slices can be tuned independently to meet different quality-of-service parameters. For example, one slice may simply need a standard speed connection to enable office email, another might be tuned to support very low data Internet of Things devices, while another slice may need high reliability and ultra-low latency to support robotics.
NOMs	the Nominations and Corporate Governance Committee.
NPS	Net Promoter Score.
NZ GAAP	Generally Accepted Accounting Practice in New Zealand.
NZ IFRS	New Zealand Equivalent to International Financial Reporting Standards.
NZX	NZX Limited.
PSTN	Public Switched Telephone Network.
SME	Small and Medium Enterprise
Southern Cross	Southern Cross Cables group of companies, which consists of two sister companies, Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited and their subsidiaries.
STI	Short-Term Incentive, which is part of Spark Leadership Team and CEO remuneration.
TRIFR	Total Recordable Incident Frequency Rate per million Spark employee hours worked.
TSR	Total Shareholder Return is a measure of share price appreciation and dividends paid over a given period.

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Contact details

Registered office

Level 1
50 Albert Street
Auckland 1010
New Zealand

Ph +64 4 471 1638 or 0800 108 010

Company Secretary

Paige Howard-Smith

For more information

For enquiries about transactions, changes of address or dividend payments contact the share registries below.

New Zealand registry

MUFG Corporate Markets
Level 30, PwC Tower
15 Customs Street West
Auckland 1142

PO Box 91976
Auckland 1142

Ph +64 9 375 5998 (investor enquiries)
spark@cm.mpms.mufg.com
nz.investorcentre.mpms.mufg.com

Australian registry

MUFG Corporate Markets
Level 12
680 George Street
Sydney NSW 2000
Australia
Locked Bag A14
Sydney South NSW 1235
Australia

Ph +61 1300 554 484 (investor enquiries)
spark@cm.mpms.mufg.com
au.investorcentre.mpms.mufg.com

United States registry

Computershare Investor Services
P.O. Box 43078
Providence, RI02940-3078
United States of America

Overnight/certified/registered delivery:
Computershare
150 Royall Street, Suite 101
Canton, MA 02021
United States of America

Ph +1 888 BNY ADRS (+1 888 269 2377) or
+1 201 680 6825 (from outside the
United States)

shrrelations@cpushareownerservices.com
www.computershare.com/investor

For enquiries about Spark's operating and financial performance contact:

Investor Relations
Spark New Zealand Limited
Private Bag 92028
Auckland 1142
New Zealand
investor-info@spark.co.nz
investors.sparknz.co.nz

Spark New Zealand Limited

ARBN 050 611 277

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investors.sparknz.co.nz
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Spark New Zealand

FY26 Results Summary

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

20 August 2026

Disclaimer

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

The information in this announcement is provided for general purposes only and does not constitute financial, legal, tax, investment or other advice or a recommendation to purchase or invest in securities in Spark New Zealand.

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.

Any forward-looking statements in this announcement are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Spark New Zealand's control, and which may cause actual results to differ materially from those projected in this announcement. Spark New Zealand gives no representation, warranty or assurance that actual results or performance will not materially differ from the forward-looking statements, and undue reliance should not be placed on such statements.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements include the outcome of Spark New Zealand's anticipated revenue growth and/or cost reduction strategies, economic conditions and the regulatory environment in New Zealand, competition in the markets in which Spark New Zealand operates, and other factors or trends affecting the industries in which Spark operates generally, along with the risks detailed in Spark New Zealand's filings with NZX and ASX from time to time.

Additionally, any forward-looking statements assume no material adverse events, significant one-off expenses, major accounting adjustments, other unforeseeable circumstances, or future acquisitions or divestments.

Except as required by law or the listing rules of the stock exchanges on which Spark New Zealand is listed, Spark New Zealand is under no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

This presentation contains certain financial information and measures that are non-GAAP financial information. Although Spark New Zealand believes the non-GAAP financial information and financial measures provide useful information to users in measuring the financial performance and condition of Spark New Zealand, you are cautioned not to place undue reliance on any non-GAAP financial information or financial measures included in this presentation.

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FY26 results summary

Mobile growth and cost discipline underpin FY26 result in line with guidance

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FY26 result

Revenue stable in subdued economic environment, with mobile service revenue growth offsetting legacy revenue decline. EBITDAI and FCF supported by disciplined cost management

	FY26 Outcome	Change vs FY25
Adjusted Revenue	$3,700 million	No change
Adjusted EBITDAI	$1,035 million	2.4% decrease
Free cash flow	$308 million	18.5% increase

SPK-30 strategy

First year of SPK-30 strategy execution delivered 4.4% overall mobile revenue growth, a return to mobile service revenue growth at +1.1%, and further cost reductions through structural productivity improvements

1. Mobile service revenue back in growth at +1.1%
2. $40m cost reduction delivered
3. Strategic review of Digital Services announced
4. $462m in proceeds from completed DC transaction

Dividend and capital management

100% of FCF delivering a total FY26 dividend of 16cps, while data centre proceeds and disciplined capital management returned debt to targeted levels

Net debt to EBITDA ratio returned to ~1.7x(1)

FY26 total dividend of 16cps, 50% imputed

(1) Calculation of net debt/EBITDA consistent with S&P methodology

FY26 financial snapshot

Adjusted EBITDAI impacted by digital services, legacy voice, and part-year data centre contribution – mobile momentum, cost reduction and portfolio management to drive improvement in FY27

Adjusted revenue (1) (2)
$3,700 million
Flat vs. FY25

Adjusted EBITDAI (2) (3)
$1,035 million
2.4% decrease vs. FY25

Adjusted NPAT (2)
$225 million
0.9% decrease vs. FY25

Reported revenue (4)
$3,949 million
6.0% increase vs. FY25

Reported EBITDAI (3) (4)
$1,295 million
23.0% increase vs. FY25

Reported NPAT
$499 million
91.9% increase vs. FY25

BAU Capex (3)
$401 million
Flat vs. FY25

Free cash flow (3)
$308 million
18.5% increase vs. FY25

FY26 final dividend
Final dividend of 8cps, taking total FY26 dividend to 16cps, 50% imputed

(1) Operating revenues and other gains
(2) Adjusted results include the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

(3) Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs.

(4) Reported results include continuing operations and removes the results of the data centre business, which is classified as a discontinued operation. This means data centre net earnings are disclosed separately in the financial statements.

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SPK-30

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SPK-30 Strategy

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Our Purpose

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

Our Ambition

It's better with Spark

Better network

Better customer experiences

Our Strategic Choices

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

Our Enablers



People and culture



Technology and AI



Financial discipline



Sustainable Spark

Turning SPK-30 into results for shareholders

Differentiating Spark to deliver annuity-like returns and growing dividends for shareholders over time

01 Focused where returns are highest

SPK-30 FOCUS

Focus on core connectivity · Simplify and optimise beyond the core

FY26 PROGRESS

- **Core revenue growth:** 4.4% mobile revenue growth; price-driven categories stabilising, with mobile service revenue growing 1.1%
- **Product innovation:** Satellite, roaming, mobile propositions
- **Cost reduction:** structural productivity improvements delivering further significant cost savings
- **Portfolio management:** Data centre transaction completed with 25% shareholding retained to participate in future value growth; Digital Services strategic review underway

DELIVERS

Capital and resources aligned to the areas of highest shareholder return

02 Investing to differentiate and grow

SPK-30 FOCUS

Better network · Better customer experiences

FY26 PROGRESS

- **Network leadership:** Widest-coverage award retained(1), with greater security and resilience built in
- **Advanced capability:** 5G+ monetisation opportunities; 3G exit enabling spectrum recycling into 5G
- **CX growth:** six consecutive years of iNPS growth(2); digital CX ARPU lifting; AI-enabled care reducing time to serve

DELIVERS

Investment behind what differentiates Spark with customers and drives growth

03 Built on strong fundamentals

SPK-30 FOCUS

Enablers: financial discipline, people, tech and AI, sustainability

FY26 PROGRESS

- **Financial discipline:** driving strong FCF growth; FY30 cost out ambitions on track
- **AI enabled:** AI maturing from individual use cases to enterprise-wide process efficiency
- **Strong business fundamentals:** employee engagement up 11pp; 59% reduction in scope 1 and 2 emissions against FY20 baseline

DELIVERS

Cost discipline, leading AI and partnerships, high performing teams, and a strong licence to operate

Why Spark

- New Zealand's largest telco, with market-leading positions(3)
- Refocused on what we do best – our core of connectivity
- Focused on stable, annuity-like returns, predictable free cash flow, and growing dividends for shareholders over time

(1) Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(2) Spark interaction net promoter score (iNPS) increased from +40 in FY25 to +42 in FY26

(3) IDC New Zealand mobile service revenue and broadband market share report as at 30 June 2026

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Network competitiveness enhanced by satellite-to-mobile

Satellite extends Spark's coverage to the edge, building on the competitive advantages of its terrestrial mobile network

Our terrestrial network provides New Zealand's widest coverage[1]

Widest coverage

99% of New Zealanders reached today across 4G and 5G[2] – the widest coverage experience, independently verified by Opensignal[1]

Reliable indoors

Mobile networks perform inside homes, offices, and basements

High customer density

Terrestrial towers carry thousands of active users per square kilometre in high-demand areas

Speed that holds up

350MHz of mobile spectrum gives real headroom for sustained, high throughput

+

Satellite adds

The best coverage just got better

Satellite-to-mobile extends capability beyond the terrestrial network – reaching remote areas and blackspots where towers can't, so customers stay connected at the very edge

Spectrum underpins it all

Spark holds management rights to 350MHz of spectrum, including the largest holding of sub-1GHz spectrum – supporting our leadership in overall mobile coverage experience in New Zealand

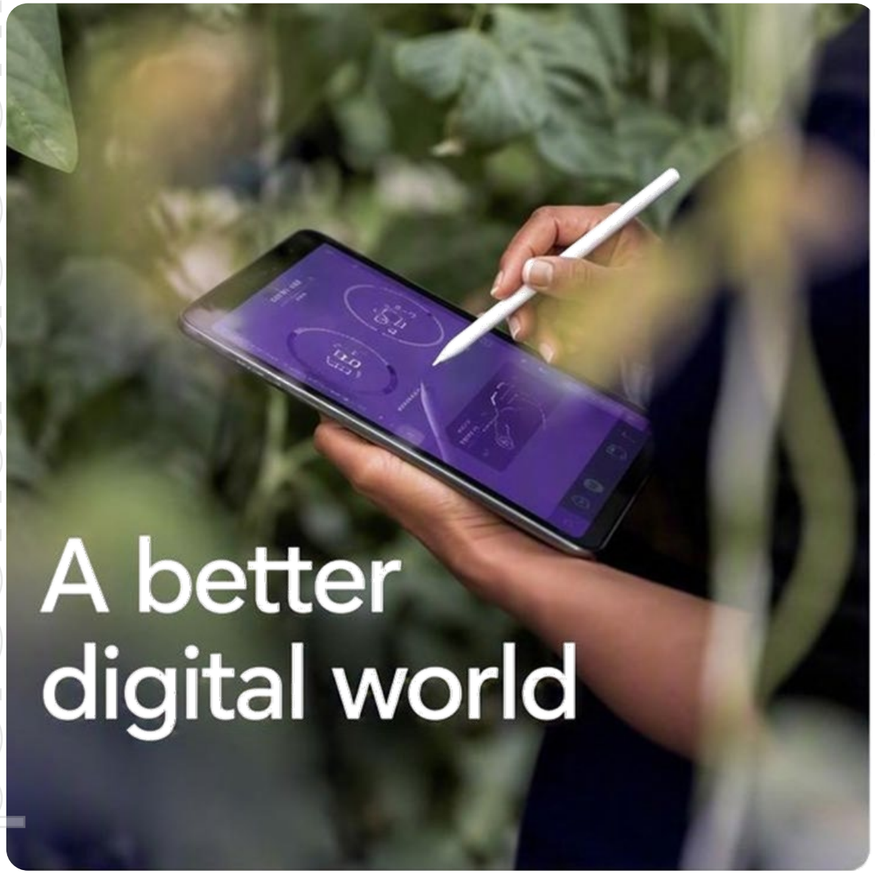
(1) Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report

(2) Spark's network connects 99% of the population across New Zealand, in areas where people work and live. Population coverage is calculated by measuring the percentage of address points that fall within the predicted coverage area generated by Spark's propagation model.

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Sustainability performance

Supporting a lower-carbon, more connected Aotearoa through our operations, network, and technology



Reducing emissions and waste

- **Science-based target on track** – scope 1 and 2 emissions tracking 59% below FY20 baseline and ahead of our FY30 target of a 56% reduction
- **Renewable energy at scale** – 72 GWh of electricity consumption matched to new renewable generation through our Genesis Energy partnership, reducing reported scope 2 emissions 34%
- **Scope 3 supplier engagement target of 70% achieved –** with 71% of spend now with suppliers who have science-based targets
- **Reducing e-waste** – device trade-ins and recycling up 42% through RE:MOBILE

Responsible supply chain

- **Supplier audits** – five JAC(1) audits completed at partner sites in India and manufacturing sites in China, with broader programme of supplier risk assessment and screening ongoing

Closing the digital divide

- **Affordable connectivity** – Skinny Jump not-for-profit broadband now reaches over 38,000 households
- **Community partnerships** – new Spark Foundation partnerships with Netsafe and South Auckland Creative and Tech Hub

(1) Independent supplier audits conducted through the Joint Alliance for CSR (JAC), an international association of telecommunications operators working together to assess and improve labour standards, health and safety, environmental, ethics, and management systems of the industry's supply chains

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Our SPK-30 strategy ambitions

Good progress in first year of new strategy creating strong foundation for future EBITDAI growth

Financial Ambition[1]

	FY30		FY26 Update
Productivity	Annualised savings of $150m-$180m (from FY24 baseline)	●	$101m at end FY26
Adjusted EBITDAI	Low single digit CAGR from FY25-FY30	●	EBITDAI -2.4% in FY26
Capex	Capex to revenue ratio of 10-12%	●	BAU Capex 10.8%[2] in FY26
Free cash flow	Mid-single digit CAGR from FY25-FY30	●	FCF of $308m up 18.5% in FY26
ROIC[3]	11-13%	●	Reported 13.8% vs 8.7% in FY25 Adjusted 8.4%, flat to FY25

Non-Financial Ambition [1]

	FY30		FY26 Update
Customer	>45+ iNPS (industry best practice)	●	42+, up 2pts from FY25
Network	Maintain: Most reliable network, with widest coverage experience	●	Maintained #1 for widest coverage experience, tied #1 for reliability[4]
Employee	Top quartile employee engagement	●	Up 11pp from FY25
Sustainability	Reduce absolute scope 1 and 2 GHG emissions 56% by 2030 from a FY20 baseline year	●	Scope 1 and 2 emissions tracking 59% below our FY20 baseline – ahead of the pathway to our 2030 science based target

Looking ahead | Mobile and cost momentum • Diminishing legacy products • Portfolio management → **Supporting EBITDAI and ROIC growth in future years**

(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) BAU Capex as a percentage of operating revenues and other gains

(3) Reported 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). Adjusted ROIC removes the FY26 one off data centre gain on sale and FY25 one offs due to Connexa gain on sale and transformation costs.

(4) 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

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Connectivity Performance

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Mobile performance overview

Overall mobile revenue up 4.4%, mobile service revenue returns to growth at 1.1%

- Overall mobile revenue up 4.4% to $1.5b, driven by strong device growth
- Overall mobile service revenue grew 1.1% to $998m:
  - **Consumer and SME** mobile service revenue up 1.4% – driven by strong pay monthly ARPU growth and further stabilisation in prepaid connections
  - **Enterprise and Government** mobile service revenue decline driven by ongoing competitive pricing pressure, while the rate of decline has more than halved compared with the prior year and connections are broadly flat
  - **Wholesale** revenue continues to grow through Spark-owned messaging products and MVNO partnerships

	FY25	FY26	% change
Total Mobile Revenue	$1,453m	$1,517m	4.4%
Mobile Service Revenue			
Total	$987m	$998m	1.1%
Consumer and SME	$861m	$873m	1.4%
Enterprise and Government	$100m	$93m	(7.0%)
Wholesale	$26m	$32m	23.1%
Connections and ARPU – Consumer and SME			
Pay monthly connections	1,205k	1,198k	(0.6%)
Prepaid connections	1,112k	1,072k	(3.6%)
Pay monthly ARPU	$44.46	$46.08	3.6%
Prepaid ARPU	$16.10	$15.98	(0.7%)
Connections and ARPU – Enterprise and Government			
Connections	312k	310k	(0.6%)
ARPU	$26.74	$24.82	(7.2%)

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Mobile performance detail

Further stabilisation in overall connections despite 3G shutdown, with positive ARPU trends across the portfolio

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Consumer and SME Pay Monthly

Increasing ARPU on broadly flat connections

- Product innovation pipeline building more value into pay monthly – Kids Plan, roaming, satellite
- Maintained pay monthly base – with small decline in connections attributable to 3G closure
- Strong ARPU growth (+3.6%) supported by plan and pricing refresh, providing greater value for money
- IFP acquisitions up ~15%, supporting higher ARPU acquisition and retention

Consumer Prepaid

Resilient ARPU in competitive market

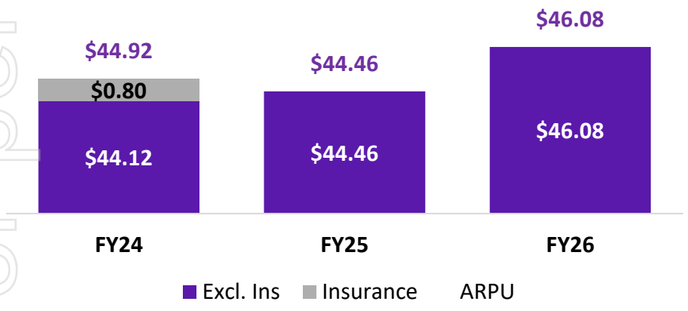
- More competitive prepaid line-ups launched across Spark and Skinny
- Overall connections down 3.6%, compared to 5.2% in FY25 – ~25% of the decline driven by 3G closure
- NZ base contributes ~89% of prepaid revenue(1)
- ARPU proved resilient, holding broadly flat despite intense price competition (up 1.1% in NZ base)
- Skinny grew ~2%, supported by launch of 52-week plans

Enterprise and Government

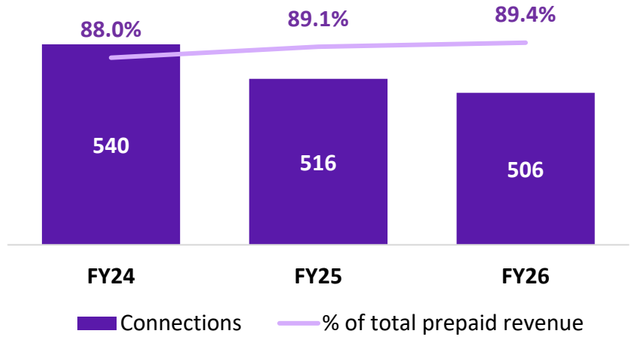
Connections stable, ARPU decline slowed

- Product innovation in roaming and satellite improving pay monthly proposition for enterprise and government
- Connections broadly flat on FY25 – small decline attributable to low value 3G connections
- Rate of ARPU decline has slowed, reducing by $1.92 (7.2%) in FY26 compared with $3.26 (10.9%) in FY25
- Customer wins and re-signs include ANZ Bank, Oranga Tamariki, and Contact Energy

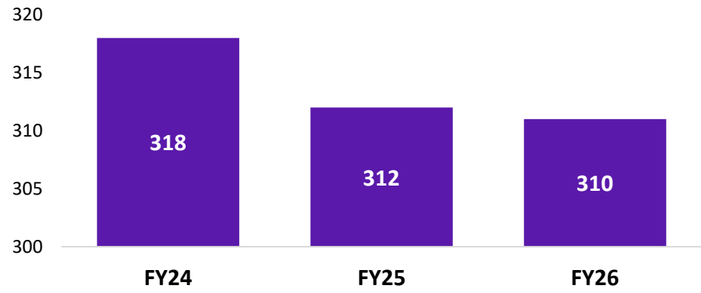
Consumer and SME Pay Monthly ARPU



NZ Base of Prepaid Customers (000)



Enterprise & Government Mobile Connections (000)



(1) NZ base: prepaid customers who purchase a recurring value pack, excluding travel packs and casual (non-pack) customers

Market growth and share

SPK-30 materially improving market share trajectory in a growing market

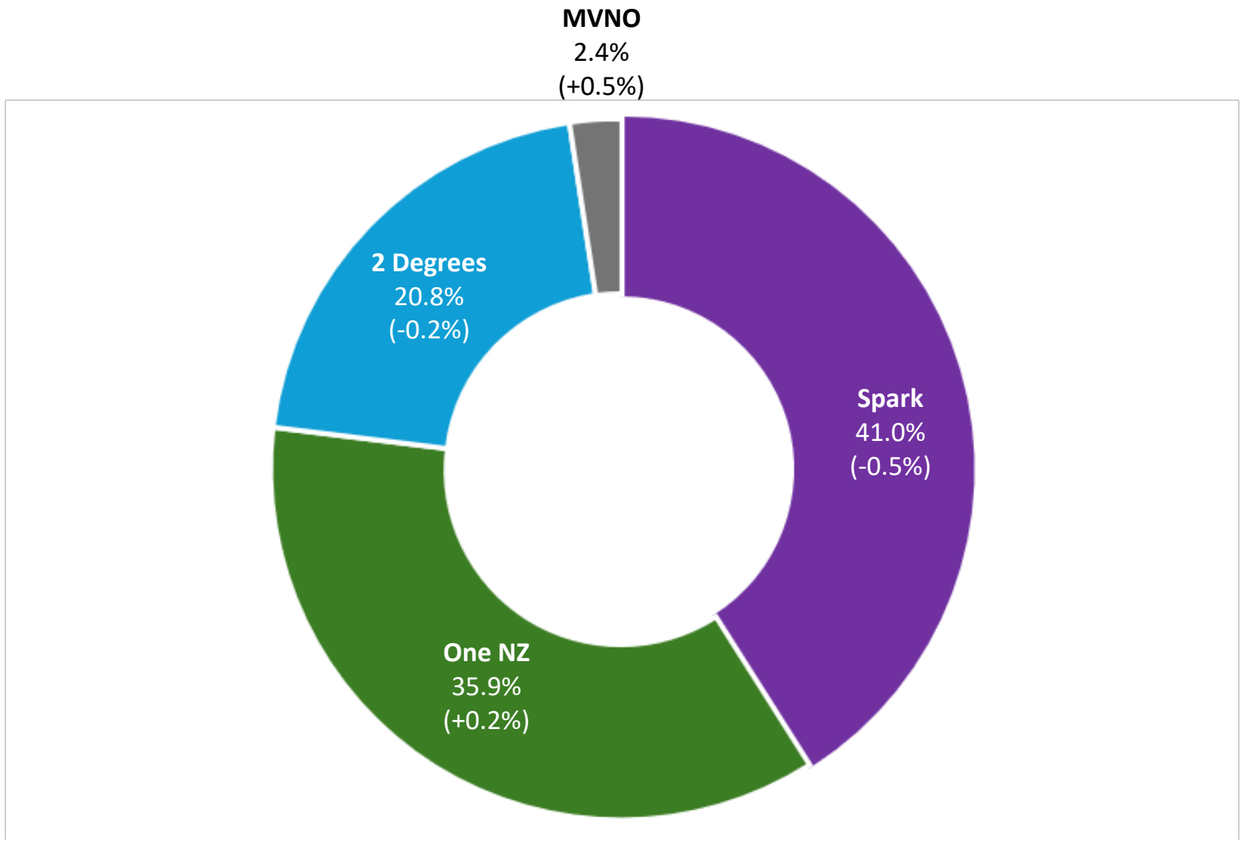
Total mobile market performance[1]

- FY26 mobile market estimated growth of 1.9%, compared to +1.3% in FY25

Spark mobile and share performance[1]

- On a YoY basis, Spark's market share decline has significantly slowed – from 1.8pp between FY24 and FY25 to 0.5pp between FY25 and FY26
- Spark mobile service revenue share was broadly flat from H1, with #1 position maintained

YoY mobile service revenue market share movements[1]



(1) All comparisons are market share estimates sourced from IDC as at 30 June 2026

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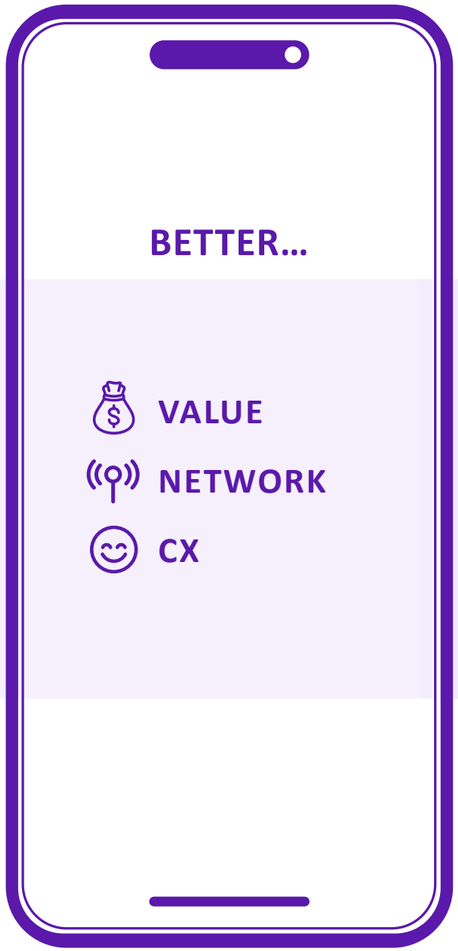
From FY26 delivery to a strong FY27 pipeline

Building on FY26 momentum with a strong programme of connectivity activity into FY27

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FY26

- **New plans** delivering more choice for customers
- **Launched** satellite, roaming, long-term and kids plans
- **Network coverage** leadership maintained(1)
- **5G+ launched**, over half a billion scam attempts blocked(2)
- **Digital acquisition** up 30%, call centre volumes down 81k
- **Customer satisfaction** up for the sixth year running



FY27

- **New pay-monthly** and device upgrade propositions
- **Reward and recognition** that differentiates
- **24hr cell tower battery** back-up for ~1.7m addresses(3)
- **5G+** productised
- **New app** launching
- **New store fitouts** expanding across NZ

(1) Spark ranked first for overall coverage experience and 5G coverage experience in Opensignal's October 2025 NZ Mobile Network Experience report

(2) A subset of this number includes an annual projection of data measured over a three-month period. With ever-increasing numbers of online threat, it is likely that this number is much higher

(3) Spark and Connexa awarded a contract by the National Infrastructure Funding and Financing. 1.7m addresses includes overlapping coverage into neighbouring areas. Upgrades will start in the second half of 2026 and are expected to be completed by June 2027

Broadband and Business Connectivity

Holding margin in broadband, while business connectivity impacted by divestment, legacy transition, and hardware sales timing

Broadband:

- Total connections down 4.8% in highly competitive, price driven market
- Decline driven by fixed-line technologies, with fibre and copper accounting for approximately 75% and wireless 25% – moderating impact on margin
- Broadband gross margin up $1m through product cost management
- Wireless refresh launching in H1 FY27 to further improve competitiveness and bundling

Voice:

- Legacy voice revenues declined in line with long term trend, now only 3.2% of overall revenue

Business Connectivity:

- FY26 revenue impacted by divestment of Digital Island, transition from legacy managed data and network products to modern solutions (rate of decline halved from FY25), and the phasing of hardware sales in IoT, partially offset by the reclassification of some revenues from private cloud
- Gross margin declined at a slower rate of 6.6%, due to targeted cost reductions and fewer lower margin IoT hardware sales
- Large-scale collaboration migrations completed in FY26, and significant progress made in exiting legacy data and networks and security products
- IoT connections grew 5.1% to 2.5m devices, driven by 5G-enabled use cases such as logistics monitoring for ports and warehouses, and electricity metering

	FY25	FY26	% change
Broadband and Business Connectivity Revenue			
Broadband	$608m	$596m	(2.0%)
Voice	$150m	$126m	(16.0%)
Business Connectivity[1]	$363m	$327m	(9.9%)

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

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Digital Services Performance

Digital Services: a scaled business adjacent to our core

Market leadership	Recurring revenue	Intellectual property	Data sovereignty	Global partnerships	Long-term tailwinds
A leading provider of digital services to New Zealand's B2B market	Majority-recurring revenue across a diversified digital services mix	CloudIQ (hybrid cloud), ServiceFlex (IT services), and Qrious (Data and AI)	Provides data-sovereign storage in New Zealand	Relationships with all hyperscalers, partnerships with Microsoft, Infosys, HPE	Long-term shift to cloud and business digitisation continues to drive demand

Cloud • IT Services • Adjacent products

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Strategic review of Digital Services

A strategic review of Digital Services marks the logical next step in the execution of SPK-30

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Performance context

- **Leading market position:** with significant scale, customer base and recurring revenue
- **Simplification progressed:** significant progress made simplifying product sets and labour, and establishing global partnerships that support efficiency and access to global IP
- **Legacy transition:** exiting legacy IT products and migrating customers to modern ServiceFlex product
- **Cyclical challenges:** New Zealand economic recovery slower than anticipated, maintaining pressure on business and government spending
- **Structural change in cloud:** long-term trend of private cloud shifting to public cloud – opportunity to add higher value managed services layer to improve margin and retention

Strategic review

- Strategic review of Digital Services underway to assess options to maximise shareholder value
- The next logical step under SPK-30, which focuses Spark on leading in core connectivity and simplification beyond the core
- External adviser appointed; review expected to complete in H1 FY27
- No certainty the review will result in a transaction, nor as to terms or value

Digital services performance summary

Public cloud growth and legacy migration continue to reshape revenue mix

Cloud:

- Overall cloud revenues held broadly steady at $233m
- Public cloud revenue grew 20%, benefiting from long-term demand tailwinds
- Private cloud revenue declined 12%, impacted by a one-off $9m reclassification of revenue following integration of CCL. Remains a differentiated offering for sovereign data protected customer requirements and represents ~60% of cloud revenues
- Industry-wide transition from private to public cloud is expected to maintain margin pressure in the near term

IT Service Management:

- Revenue declined 10.3% to $104m due to the continued migration of customers from legacy services to Spark's modern ServiceFlex platform, alongside subdued project work
- Proactively reducing labour costs faster than revenue decline to mitigate impact
- Capex needs are small and steady, reflecting the capital-light nature of a services business

Other Digital Services:

- Revenue grew 2.9% to $35m, with further improvement in gross margin driven by product cost reductions

	FY25	FY26	% change
Digital Services Revenue(1)			
Cloud	$235m	$233m	(0.9%)
IT Service Management	$116m	$104m	(10.3%)
Other Digital Services(2)	$34m	$35m	2.9%
Total Digital Services	$385m	$372m	(3.4%)

(1) The performance of products and services that now comprise Digital Services is disclosed in a separate page in the Detailed Financials document that was released to the market on 20 August 2026

(2) Includes adjacent products such as Data Analytics and AI, Digital Identity, and Ubiquity

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Financial summary

FY26 financial summary

	REPORTED[1] FY25	REPORTED[1] FY26	CHANGE	ADJUSTED[2] FY25	ADJUSTED[2] FY26	CHANGE
Operating revenues and other gains	3,725	3,949	6.0%	3,700	3,700	-
Operating expenses	(2,672)	(2,654)	(0.7%)	(2,640)	(2,665)	0.9%
EBITDAI	1,053	1,295	23.0%	1,060	1,035	(2.4%)
Net financing cost	(118)	(118)	-	(118)	(118)	-
Depreciation and amortisation	(590)	(602)	2.0%	(604)	(602)	(0.3%)
Net investment income/(expense)	2	(1)	NM	2	(1)	NM
Net earnings before tax expense	347	574	65.4%	340	314	(7.6%)
Tax expense	(95)	(88)	(7.4%)	(113)	(89)	(21.2%)
Net earnings after tax expense	252	486	92.9%	227	225	(0.9%)
Net earnings from discontinuing operation	8	13	62.5%	-	-	-
Total net earnings after tax expense	260	499	91.9%	227	225	(0.9%)
BAU capital expenditure	401	401	-	401	401	-
Free cash flows excluding spectrum	-	-	-	260	308	18.5%
EBITDAI margin	28.3%	32.8%	4.5%pts	28.6%	28.0%	(0.6)%pts
Effective tax rate	27.4%	15.3%	(12.1)%pts	33.2%	28.3%	(4.9)%pts
BAU capex to operating revenues and other gains	10.8%	10.2%	(0.6)% pts	10.8%	10.8%	-%pts
Total earnings per share (cents)	13.6	25.7	89.0%	12.3	11.9	(3.3%)
Total dividend per share (cents)	25.0	16.0	(36.0%)	25.0	16.0	(36.0%)

(1) Reported revenue, expenses, EBITDAI and NPAT exclude the results of the data centre business which has been classified as a discontinued operation in the Financial Statements.

(2) Adjusted results include the earnings of the data centre business up until the sale, and in FY26 excludes the $278 million gain on sale from the data centres, and in FY25 excludes the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs.

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FY26 financial summary

Reported EBITDAI up 23.0% on data centre transaction; mobile revenue growth and productivity benefits supporting performance

Reported result vs. FY25

- Reported revenue and other gains up 6.0%, or $224m, to $3,949m
- Reported EBITDAI up 23.0%, or $242m, to $1,295m, mainly due to the gain on sale of the data centre business included in reported results
- Net financing costs of $118m flat to FY25, while tax expense of $88m was 7.4% lower, primarily due to lower underlying EBITDAI as the data centre gain on sale is non-assessable
- Discontinued earnings of $13m related to the contribution from the data centre business – up 62.5% as assets held for sale are no longer depreciated
- BAU capital expenditure flat at $401m as the 5G mobile rollout matures
- Reported NPAT up 91.9% to $499m

Adjusted(1) result vs. FY25

- Adjusted revenue and other gains of $3,700m flat to FY25, driven by growth in mobile revenue and offset by lower legacy voice and other connectivity revenue, and five fewer months of data centre contribution following the sale partway through the year
- Legacy voice revenue continues to become a smaller part of the portfolio, now only contributing 3.2% of total revenue
- Operating expenses of $2,665m were $25m higher than FY25, driven by:
  - Product cost increase of $30m, mainly through higher sales of products such as mobile devices ($65m), and offset by product cost savings of $35m;
  - Net labour savings of $58m; and
  - Higher opex of $53m, due to technology partnership costs, increased marketing to support growth, severance, and legacy exit costs
- As a result, adjusted EBITDAI was down 2.4%, or $25m, to $1,035m
- Adjusted NPAT down 0.9% to $225m

(1) Adjusted results include the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale, and in FY25 remove the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs. This provides a like-for-like, year-on-year performance comparison. A detailed reconciliation is contained on page 9 of Spark's detailed FY26 financial statements.

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Cost reduction programme

FY26 productivity programme delivered $40m of benefits across product costs and labour/opex

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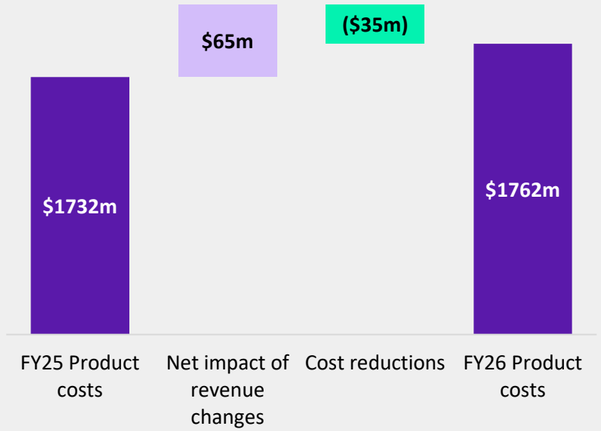
Delivery since H1

- Long-term cost reduction programme embedding structural productivity improvements across the business
- FY26 productivity benefit of $40m, in line with $40m-$50m target
- $35m from sustainable product cost reductions, as Spark simplifies and legacy becomes a smaller part of the business
- $58m in labour savings, partially offset by $53m in other opex movements
- As noted in February, savings were weighted to H1, with H2 slowing as expected opex increases came through and labour benefits largely landed in H2 FY25

Product costs

- $35m in product cost savings from improved buying terms with major suppliers, exit of legacy products, and simplification
- Partially offsetting the net impact of increased costs as we sold more mobile devices and services

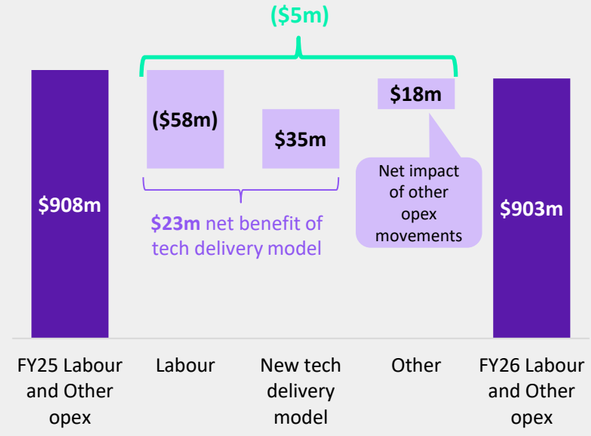
Product Costs FY25 - FY26



Labour and other opex

- $23m net benefit of the technology delivery model:
  - $58m of labour savings and business simplification, less $35m increase in other opex through partnerships
- Offset by a net $18m increase in other opex, including:
  - Inflationary pressures, as well as higher H1 marketing costs ($11m) to support growth, severances ($9m), and legacy shutdown costs ($6m). These cost increases are not expected to repeat at the same rate in future years
  - $6m in cost reductions from data centre transaction

Labour and Other opex FY25-FY26



Cost reduction programme continued

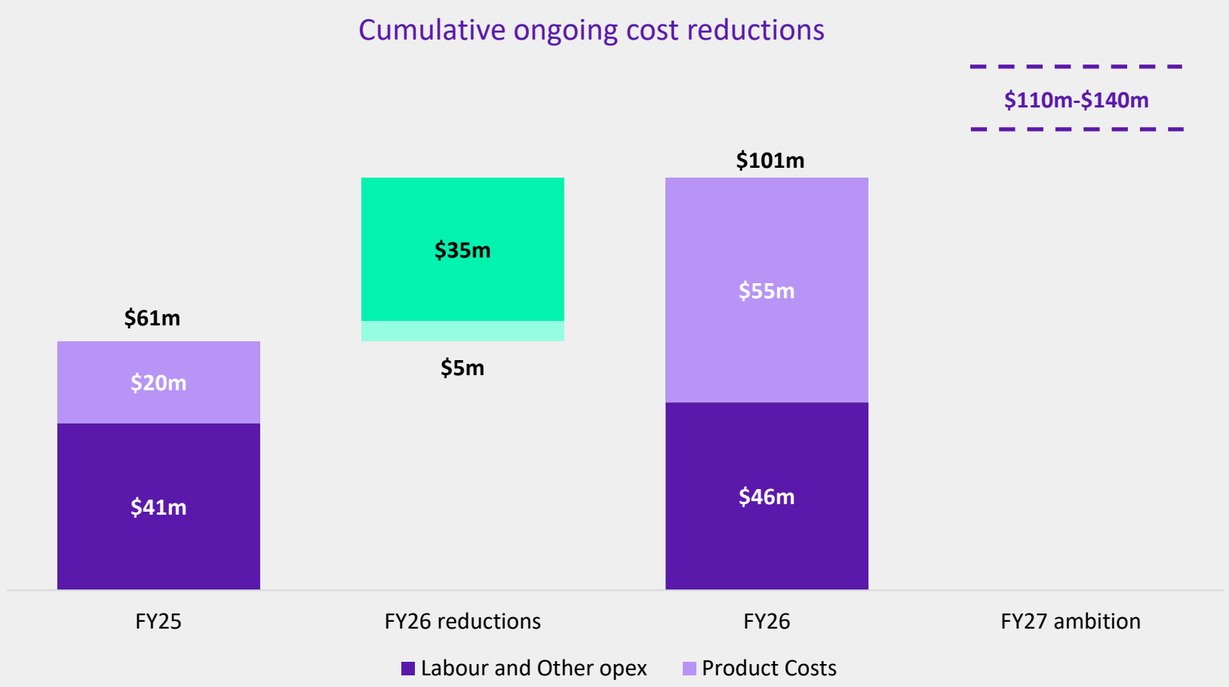
On track to meet FY27 ambition of $110m-$140m of annualised savings(1)

Pathway to FY27 target

- Run-rate benefits from FY26 labour reductions and additional simplification benefits from the organisational structure change announced in July
- Other opex broadly flat, with inflationary pressures offset by the cost reduction programme
- Further product cost savings expected from improved buying terms, legacy product exits, and simplification
- On track to deliver FY27 ambition of $110m-$140m of annualised savings[1]

Cost reduction progress since FY25

- Cumulative ongoing cost reductions have built from $61m in FY25 to $101m in FY26



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

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Delivering against our Capital Management Framework

FY26 capital management in line with new framework established in August 2025

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	Objective	FY26 outcome
01	**Maintaining financial strength** • Strong balance sheet • Targeted metrics consistent with current credit rating	• Net Debt/EBITDA ratio of ~1.7x(1) at 30 June 2026, down from 2.2x at 30 June 2025
02	**Investment and portfolio management** • BAU capex – used to sustain and grow the core business organically (capex to revenue ratio of 10-12%) • Strategic capex – capital investment outside the core that meets Spark's hurdle rates	• FY26 BAU capex of $401m, 10.8% of adjusted revenue • FY26 strategic capex of $66m(2), representing capex committed as part of the data centre transaction
03	**Sustainable shareholder returns** • Dividend payout ratio of 70-100% of free cash flow • Dividend reinvestment plan utilised when appropriate • Growth in return on invested capital	• FY26 dividend of 16 cps, representing 100% of free cash flow • DRP reinstated with 0% discount on shares issued in lieu of dividend • ROIC of 8.4%(3) in FY26, flat to FY25 (FY26 Reported ROIC 13.8% vs 8.7% in FY25)

(1) Calculation of net debt/EBITDA consistent with S&P methodology
(2) Committed capex brought forward, reflected in the data centre sale proceeds
(3) Adjusted Return on Invested Capital excludes gain on sale of data centre in FY26, and Connexa gain and transformation costs in FY25

Capital expenditure

FY26 BAU investment aligned to SPK-30 priorities – network leadership and resilience, better CX, and efficiency through tech and AI

Total FY26 capex (excl. spectrum)[1]

$467m ▲ 9% YoY

Driven by data centre strategic capex prior to 75% divestment

FY26 BAU capex

$401m Flat on FY25

In line with $380m–$410m guidance; 10.8% of adjusted revenue

FY26 strategic capex

$66m ▲ 135% YoY

Committed capex brought forward, which was then reflected in the data centre sale proceeds

Significant BAU capex categories and outcomes		FY25	FY26	YoY change	
Fixed network and international cables	• Increased capacity for fibre, transport and IP networks to meet forecasted demand for data growth • Core networks expansion and resilience programme to improve reliability	$63m	$88m	+40%	Infrastructure and international cable capacity purchases
Mobile network	• Increased capacity by upgrading 236 existing sites with 4G and 5G • Extended coverage with 81 new sites built across New Zealand	$171m	$140m	(18%)	Normalised post 5G Standalone mobile core build
IT systems and AI	• Sustaining and licensing core business systems focused on automation and enterprise efficiency • Expanding AI investment to embed intelligence across operations, accelerating automation, and service transformation	$148m	$155m	+5%	Strategic investment in automation and AI platforms for long-term efficiency

(1) FY26 spectrum capex of $7m on 20 MHz of 5G spectrum acquired from Tū Ātea

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Free cash flow

Free cash flow growth supporting a total FY26 dividend of 16cps

- FCF increased 18.5% to $308m and supported a total FY26 dividend 16cps
- EBITDAI for FCF down 2.6% to $1,003m due to partial year's contribution from data centres and underlying performance
- Cash paid on BAU Capex consistent with FY25, with a higher weighting to network and infrastructure spend
- Reduction in cash tax paid, as prepaid tax asset utilised during the year – expected to further benefit FCF in future years
- Cash paid on leases increased $37m, cycling the FY25 lease incentive of $12m together with increased mobile sites. It is expected that FY27 cash leases will continue to increase but by a lower amount
- Change in working capital delivered a $45m improvement in FCF

Free cash flow calculation	FY25 ($m)	FY26 ($m)	Change ($m)	Change (%)
Reported EBITDAI	1,053	1,295	242	23.0%
Add EBITDAI from discontinuing operations	25	18	(7)	(28.0%)
Less adjusting items and non-cash gains	(48)	(310)	(262)	NM
EBITDAI for free cash flow	1,030	1,003	(27)	(2.6%)
Less				
Cash paid on BAU capex	(374)	(380)	(6)	(1.6)%
Cash paid on interest	(117)	(103)	14	12.0%
Cash paid on tax payments	(186)	(127)	59	31.7%
Cash paid on leases	(104)	(141)	(37)	(35.6)%
Change in working capital	11	56[(1)]	45	NM
Total cash payments on items above	(770)	(695)	75	9.7%
Free cash flow	**260**	**308**	**48**	**18.5%**
Cash paid on strategic capex	(46)	(62)	(16)	(34.8)%
Free cash flow less strategic capex	214	246	32	15.0%

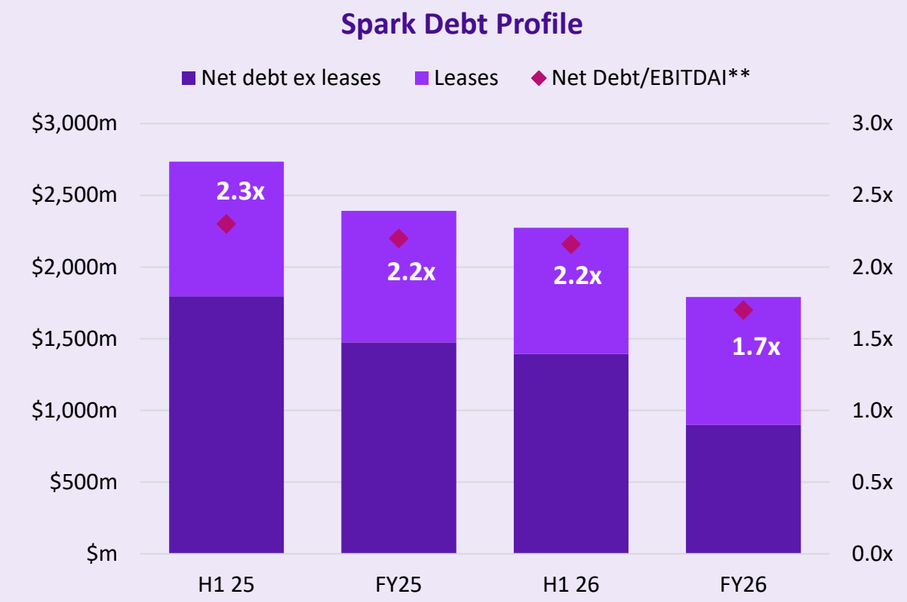
(1) Change in working capital has been adjusted by $219m to reflect the sale of IFP receivable book during FY26

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Debt

Balance sheet strengthened, with core net debt down 35% to $898m

- Free Cash Flow growth and proceeds from the sale 75% of the data centre business reduced core net debt $494m (or 35%) to $898m
- With lease liabilities consistent at ~$883m, total net debt including leases decreased to $1,781m, with the net debt to EBITDA ratio now at ~1.7x
- Spark remains focused on a strong balance sheet, targeting metrics consistent with current credit rating



**Calculation of net debt/EBITDA consistent with S&P methodology

Net debt	FY25 ($m)	FY26 ($m)
Net debt at hedged rates	$1,475	$898
Net debt at hedged rates including lease liabilities	$2,392	$1,781
Debt ratios		
Borrowing costs (annualised)	5.6%	5.5%(1)
Weighted average debt maturity (years)	3.1	3.1
Debt servicing(2)	2.2x	~1.7x
Gearing	61%	52%
Interest cover	8x	8x

(1) Following the sale of the IFP receivables book reported finance costs include the initial loss on sale of the transaction – this has been excluded to improve comparability with prior periods

(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

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Guidance

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FY27 Guidance[1]

	FY26 Actual	FY27 Guidance
Adjusted EBITDAI	$1,035m[2]	$1,010m-$1,080m
BAU capex	$401m	$350m-$380m
Free cash flow	$308m	$300m-$350m
Dividend	16 cps	90%-100% of FCF supported by a target[3] FY27 dividend range of 16-18 cps

(1) Subject to no material adverse change in operating outlook
(2) Adjusted FY26 EBITDAI includes the earnings of the data centre business up until the sale, while excluding the $278 million gain on sale
(3) The target FY27 dividend range of 16-18 cps is intended to provide investors with greater clarity on the expected dividend outcome than a payout ratio alone, while maintaining the discipline of linking dividends to free cash flow generation. Final dividend decisions remain subject to Board approval.

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Appendix

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FY26 reported and adjusted earnings reconciliation

- FY25 and FY26 Reported revenue and EBITDAI exclude the results of the data centre business which is classified as a discontinued operation in the Financial Statements
- To assist in comparability, and reporting in a manner consistent with market guidance, adjusted revenue, EBITDAI, and NPAT include the earnings of the data centre business up until the sale for both years, while FY26 excludes the $278 million gain on sale of data centres, and in FY25 excludes the $71 million gain on sale from the Connexa stake and the $53 million of transformation costs
- The table below provides a reconciliation of reported to adjusted earnings

	FY25				FY26			
	Reported per Financial Statements	Discontinued operation	Adjusting items	Total Adjusted	Reported per Financial Statements	Discontinued operation	Adjusting items	Total Adjusted
Operating revenues and other gains	3,725	46	(71)	3,700	3,949	29	(278)	3,700
Operating expenses	(2,672)	(21)	53	(2,640)	(2,654)	(11)	-	(2,665)
EBITDAI	**1,053**	**25**	**(18)**	**1,060**	**1,295**	**18**	**(278)**	**1,035**
Net finance income	(118)	-	-	(118)	(118)	-	-	(118)
Depreciation and amortisation	(590)	(14)	-	(604)	(602)	-	-	(602)
Net investment income	2	-	-	2	(1)	-	-	(1)
Net earnings before tax	347	11	(18)	340	574	18	(278)	314
Net tax expense	(95)	(3)	(15)	(113)	(88)	(5)	4	(89)
Net earnings	**252**	**8**	**(33)**	**227**	**486**	**13**	**(274)**	**225**

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Group result - reported

Reported revenue, expenses, EBITDAI and NPAT exclude the results of the data centre business which has been classified as a discontinued operation in the Financial Statements in FY26.

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Operating revenues and other gains	1,956	1,864	1,916	1,809	1,893	2,056	3,725	3,949	224	6.0%
Operating expenses	(1,437)	(1,242)	(1,510)	(1,162)	(1,445)	(1,209)	(2,672)	(2,654)	18	0.7%
EBITDAI	**519**	**622**	**406**	**647**	**448**	**847**	**1,053**	**1,295**	**242**	**23.0%**
Finance income	14	16	15	16	14	9	31	23	(8)	(25.8%)
Finance expense	(63)	(81)	(75)	(74)	(69)	(72)	(149)	(141)	8	5.4%
Depreciation and amortisation	(244)	(268)	(293)	(297)	(304)	(298)	(590)	(602)	(12)	(2.0%)
Net investment income / (loss)	(3)	(5)	-	2	(1)	-	2	(1)	(3)	NM
Net earnings before income tax	**223**	**284**	**53**	**294**	**88**	**486**	**347**	**574**	**227**	**65.4%**
Tax income / (expense)	(69)	(127)	(22)	(73)	(34)	(54)	(95)	(88)	7	7.4%
Net earnings from continuing operations	154	157	31	221	54	432	252	486	234	92.9%
Net earnings from discontinued operations	2	3	4	4	10	3	8	13	5	62.5%
Total net earnings for the period	**156**	**160**	**35**	**225**	**64**	**435**	**260**	**499**	**239**	**91.9%**
BAU Capital expenditure	267	210	238	163	217	184	401	401	-	-%
Strategic Capital expenditure	19	22	14	14	54	12	28	66	38	NM
Capital expenditure excluding spectrum	**286**	**232**	**252**	**177**	**271**	**196**	**429**	**467**	**38**	**8.9%**
Reported EBITDAI margin	26.5%	33.4%	21.2%	35.8%	23.7%	41.2%	28.3%	32.8%	4.5pp	
Reported effective tax rate	30.9%	44.7%	41.5%	24.8%	38.6%	11.1%	27.4%	15.3%	(12.1pp)	
Capital expenditure to operating revenues and other gains	14.6%	12.4%	13.2%	9.8%	14.3%	9.5%	11.5%	11.8%	0.3pp	
Reported basic EPS[1] (cents) from continuing operations	8.4	8.7	1.6	12.0	2.9	22.8	13.6	25.7	12.1	89.0%
Reported diluted EPS (cents) from continuing operations	8.4	8.8	1.6	12.0	2.9	22.8	13.6	25.7	12.1	89.0%
Reported basic EPS (cents) from discontinued operations	0.1	0.2	0.2	0.3	0.5	0.2	0.4	0.7	0.3	75.0%
Reported diluted EPS (cents) from discontinued operations	0.1	0.3	0.2	0.3	0.5	0.2	0.4	0.7	0.3	75.0%

[1] Earnings 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 year ended 30 June 2026, the net gain on sale of the data centre business in January 2026 amounted to $278 million and any associated tax impact were deemed significant to adjust. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts were deemed significant to adjust.

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Adjusted operating revenues and other gains	1,976	1,885	1,939	1,761	1,917	1,783	3,700	3,700	-	-%
Adjusted operating expenses	(1,446)	(1,252)	(1,491)	(1,149)	(1,446)	(1,219)	(2,640)	(2,665)	(25)	(0.9%)
Adjusted EBITDAI	**530**	**633**	**448**	**612**	**471**	**564**	**1,060**	**1,035**	**(25)**	**(2.4%)**
Finance income	14	16	15	16	14	9	31	23	(8)	(25.8%)
Finance expense	(63)	(81)	(75)	(74)	(69)	(72)	(149)	(141)	8	5.4%
Depreciation and amortisation	(251)	(276)	(300)	(304)	(304)	(298)	(604)	(602)	2	0.3%
Adjusted net investment income / (loss)	(3)	(5)	-	2	(1)	-	2	(1)	(3)	NM
Adjusted net earnings before income tax	**227**	**287**	**88**	**252**	**111**	**203**	**340**	**314**	**(26)**	**(7.6%)**
Adjusted income tax expense	(70)	(102)	(32)	(81)	(38)	(51)	(113)	(89)	24	21.2%
Adjusted net earnings for the period	**157**	**185**	**56**	**171**	**73**	**152**	**227**	**225**	**(2)**	**(0.9%)**
BAU Capital expenditure	267	210	238	163	217	184	401	401	-	-%
Strategic Capital expenditure	19	22	14	14	54	12	28	66	38	NM
Capital expenditure excluding spectrum	**286**	**232**	**252**	**177**	**271**	**196**	**429**	**467**	**38**	**8.9%**
Free cash flows excluding spectrum	(100)	219	58	202	107	201	260	308	48	18.5%
Adjusted EBITDAI margin	26.8%	33.6%	23.1%	34.8%	24.6%	31.6%	28.6%	28.0%	(0.6pp)	
Adjusted effective tax rate	30.8%	35.5%	36.4%	32.1%	34.2%	25.1%	33.2%	28.3%	(4.9pp)	
Capital expenditure to adjusted operating revenues and other gains	14.5%	12.3%	13.0%	10.1%	14.1%	11.0%	11.6%	12.6%	1.0pp	
Adjusted basic EPS (cents)	8.6	10.1	3.1	9.2	3.9	8.0	12.3	11.9	(0.4)	(3.3%)
Adjusted diluted EPS (cents)	8.5	10.2	3.1	9.2	3.9	8.0	12.3	11.9	(0.4)	(3.3%)

Declared Dividends

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
Ordinary dividends (cents per share)	13.50	14.00	12.50	12.50	8.00	8.00	25.00	16.00	(9.00)	(36.0%)
Total dividend (cents per share)	13.50	14.00	12.50	12.50	8.00	8.00	25.00	16.00	(9.00)	(36.0%)

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Group operating revenues and other gains

Connectivity	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Mobile service revenue	510	500	491	496	499	499	987	998	11	1.1%
Mobile non-service revenue	239	225	248	218	255	264	466	519	53	11.4%
Total mobile	749	725	739	714	754	763	1,453	1,517	64	4.4%
Voice	94	86	78	72	65	61	150	126	(24)	(16.0%)
Broadband[1]	309	304	302	306	303	293	608	596	(12)	(2.0%)
Other connectivity[2]	184	189	182	181	163	164	363	327	(36)	(9.9%)
Total connectivity	1,336	1,304	1,301	1,273	1,285	1,281	2,574	2,566	(8)	(0.3%)
Other										
Cloud	109	116	118	117	120	113	235	233	(2)	(0.9%)
IT service management	68	64	61	55	49	55	116	104	(12)	(10.3%)
Procurement and partners	339	209	332	206	344	219	538	563	25	4.6%
Other products	105	109	104	102	95	105	206	200	(6)	(2.9%)
Total other	621	498	615	480	608	492	1,095	1,100	5	0.5%
Adjusted operating revenues	1,957	1,802	1,916	1,753	1,893	1,773	3,669	3,666	(3)	(0.1%)
Other gains	19	83	23	8	24	10	31	34	3	9.7%
Adjusted operating revenues and other gains	1,976	1,885	1,939	1,761	1,917	1,783	3,700	3,700	-	-%
Adjusting items - net gain on sale[3]	-	-	-	71	-	278	71	278	207	NM
Operating revenues from discontinued operations	(20)	(21)	(23)	(23)	(24)	(5)	(46)	(29)	17	37.0%
Reported operating revenues and other gains	1,956	1,864	1,916	1,809	1,893	2,056	3,725	3,949	224	6.0%

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

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

[3] FY25 is net gain on sale of Connexa and FY26 is net gain on sale of data centres.

Group operating expenses

Product costs	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Connectivity										
Total mobile	(253)	(231)	(251)	(206)	(258)	(232)	(457)	(490)	(33)	(7.2%)
Voice	(43)	(38)	(36)	(32)	(30)	(27)	(68)	(57)	11	16.2%
Broadband	(161)	(164)	(162)	(169)	(162)	(156)	(331)	(318)	13	3.9%
Other connectivity	(98)	(108)	(96)	(100)	(85)	(86)	(196)	(171)	25	12.8%
Other										
Cloud	(38)	(47)	(61)	(50)	(63)	(58)	(111)	(121)	(10)	(9.0%)
IT service management	(9)	(21)	(18)	(15)	(13)	(17)	(33)	(30)	3	9.1%
Procurement and partners	(315)	(168)	(307)	(166)	(325)	(197)	(473)	(522)	(49)	(10.4%)
Other product costs	(27)	(28)	(34)	(29)	(23)	(30)	(63)	(53)	10	15.9%
Total product costs	(944)	(805)	(965)	(767)	(959)	(803)	(1,732)	(1,762)	(30)	(1.7%)
Labour	(279)	(233)	(271)	(172)	(216)	(169)	(443)	(385)	58	13.1%
Other operating expenses										
Network support costs	(40)	(33)	(52)	(27)	(57)	(50)	(79)	(107)	(28)	(35.4%)
Computer costs	(52)	(63)	(74)	(58)	(75)	(80)	(132)	(155)	(23)	(17.4%)
Accommodation costs	(29)	(29)	(29)	(26)	(27)	(23)	(55)	(50)	5	9.1%
Electricity - Data Centres[1]	(2)	(2)	(3)	(4)	(4)	-	(7)	(4)	3	42.9%
Electricity - non Data Centres	(17)	(17)	(16)	(18)	(17)	(17)	(34)	(34)	-	-%
Advertising, promotions and communication	(33)	(21)	(31)	(27)	(42)	(27)	(58)	(69)	(11)	(19.0%)
Bad debts	(7)	(8)	(10)	(9)	(10)	(6)	(19)	(16)	3	15.8%
Other	(43)	(41)	(40)	(41)	(39)	(44)	(81)	(83)	(2)	(2.5%)
	(223)	(214)	(255)	(210)	(271)	(247)	(465)	(518)	(53)	(11.4%)
Adjusted operating expenses	(1,446)	(1,252)	(1,491)	(1,149)	(1,446)	(1,219)	(2,640)	(2,665)	(25)	(0.9%)
Transformation costs	-	-	(29)	(24)	-	-	(53)	-	53	100.0%
Operating expenses from discontinued operations	9	10	10	11	10	1	21	11	(10)	(47.6%)
Separation costs	-	-	-	-	(9)	9	-	-	-	-%
Reported operating expenses	(1,437)	(1,242)	(1,510)	(1,162)	(1,445)	(1,209)	(2,672)	(2,654)	18	0.7%

[1]Estimated electricity costs to run Spark Group's dedicated data centres.

Group FTEs

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	FY26 vs FY25
FTE permanent	5,356	5,072	4,456	3,792	3,584	3,292	3,792	3,292	(500)	(13.2%)
FTE contractors	97	70	94	55	48	25	55	25	(30)	(54.2%)
Total FTE	5,453	5,142	4,550	3,847	3,632	3,317	3,847	3,317	(530)	(13.8%)

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Gross margin by product

	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Total mobile	496	494	488	508	496	531	996	1,027	31	3.1%
Voice	51	48	42	40	35	34	82	69	(13)	(15.9%)
Broadband	148	140	140	137	141	137	277	278	1	0.4%
Other connectivity	86	81	86	81	78	78	167	156	(11)	(6.6%)
Cloud	71	69	57	67	57	55	124	112	(12)	(9.7%)
IT service management	59	43	43	40	36	38	83	74	(9)	(10.8%)
Procurement and partners	24	41	25	40	19	22	65	41	(24)	(36.9%)
Other products	78	81	69	73	72	75	142	147	5	3.5%
Adjusted product gross margin	1,013	997	950	986	934	970	1,936	1,904	(32)	(1.7%)
Other gains	19	83	23	8	24	10	31	34	3	9.7%
Adjusted gross margin	1,032	1,080	974	994	958	980	1,968	1,938	(30)	(1.5%)
Gross margin from discontinued operations	(20)	(20)	(23)	(22)	(24)	(5)	(45)	(29)	16	35.6%
Gain on sale/divestment of Connexa & data centres	-	-	-	71	-	278	71	278	207	NM
Reported gross margin	1,012	1,060	951	1,043	934	1,253	1,994	2,187	193	9.7%

Finance expense & income

	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Finance expense										
Finance expense on debt	(33)	(42)	(41)	(38)	(35)	(31)	(79)	(66)	13	16.5%
Other interest and finance expenses	(8)	(15)	(10)	(10)	(10)	(15)	(20)	(25)	(5)	(25.0%)
Lease interest expense	(24)	(24)	(25)	(26)	(26)	(25)	(51)	(51)	-	-%
Leased customer equipment interest expense	(4)	(4)	(3)	(3)	(2)	(3)	(6)	(5)	1	16.7%
	(69)	(85)	(79)	(77)	(73)	(74)	(156)	(147)	9	5.8%
Capitalised interest	6	4	4	3	4	2	7	6	(1)	(14.3%)
	(63)	(81)	(75)	(74)	(69)	(72)	(149)	(141)	8	5.4%
Finance income										
Finance lease interest income	4	4	4	4	4	4	8	8	-	-%
Other interest income	10	12	11	12	10	5	23	15	(8)	(34.8%)
	14	16	15	16	14	9	31	23	(8)	(25.8%)

Depreciation and amortisation expense

	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Depreciation and amortisation expense										
Depreciation - property, plant and equipment	(112)	(123)	(147)	(138)	(139)	(131)	(285)	(270)	15	5.3%
Depreciation - right-of-use assets	(42)	(47)	(50)	(55)	(53)	(58)	(105)	(111)	(6)	(5.7%)
Depreciation - leased customer equipment assets	(17)	(16)	(13)	(14)	(13)	(14)	(27)	(27)	-	-%
Amortisation - intangible assets	(80)	(90)	(90)	(97)	(99)	(95)	(187)	(194)	(7)	(3.7%)
Adjusted depreciation and amortisation expense	(251)	(276)	(300)	(304)	(304)	(298)	(604)	(602)	2	0.3%
Depreciation and amortisation expense from discontinued operations	7	8	7	7	-	-	14	-	(14)	(100.0%)
Reported depreciation and amortisation expense	(244)	(268)	(293)	(297)	(304)	(298)	(590)	(602)	(12)	(2.0%)

Net investment income / (loss)

	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Net investment income										
Share of associates' and joint ventures' net losses	(8)	(9)	(6)	-	(1)	(1)	(6)	(2)	4	66.7%
Interest income on loans receivable from associates and joint ventures	6	6	6	2	-	-	8	-	(8)	(100.0%)
Impairment of investments	-	(2)	-	-	-	-	-	-	-	-%
Net disposal and remeasurement of equity accounted investments	(1)	-	-	-	-	-	-	-	-	-%
Fair value gain on receivables measured at FVTPL	-	-	-	-	-	1	-	1	1	NM
Adjusted net investment income	(3)	(5)	-	2	(1)	-	2	(1)	(3)	NM
Reported net investment income	(3)	(5)	-	2	(1)	-	2	(1)	(3)	NM

Investor Presentation

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Other connectivity

Analysis & KPIs - Voice

Voice connections by type	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
POTS and ISDN	69	59	49	39	27	13	39	13	(26)	(66.7%)
VoIP	53	51	48	49	46	47	49	47	(2)	(4.1%)
Voice over wireless	8	6	6	5	5	4	5	4	(1)	(20.0%)
Total voice connections	130	116	103	93	78	64	93	64	(29)	(31.2%)

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Total voice revenue	94	86	78	72	65	61	150	126	(24)	(16.0%)
Voice product costs[1]	(43)	(38)	(36)	(32)	(30)	(27)	(68)	(57)	11	16.2%
Voice gross margin	51	48	42	40	35	34	82	69	(13)	(15.9%)
Voice gross margin %	54.3%	55.8%	53.8%	55.6%	53.8%	55.7%	54.7%	54.8%	0.1pp	

[1]Includes 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	H2 FY26	FY25	FY26	FY26 vs FY25	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Copper	54	43	36	26	20	16	26	16	(10)	(38.5%)
Fibre	427	428	424	422	417	408	422	408	(14)	(3.3%)
Wireless	214	216	218	213	212	205	213	205	(8)	(3.8%)
Total broadband connections	695	687	678	661	649	629	661	629	(32)	(4.8%)

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Total broadband revenue	309	304	302	306	303	293	608	596	(12)	(2.0%)
Broadband product costs[2]	(161)	(164)	(162)	(169)	(162)	(156)	(331)	(318)	13	3.9%
Broadband gross margin	148	140	140	137	141	137	277	278	1	0.4%
Broadband gross margin %	47.9%	46.1%	46.4%	44.8%	46.5%	46.8%	45.6%	46.6%	1.0pp	

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

Analysis & KPIs - Other connectivity[3]

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Other connectivity revenue	184	189	182	181	163	164	363	327	(36)	(9.9%)
Other connectivity product costs	(98)	(108)	(96)	(100)	(85)	(86)	(196)	(171)	25	12.8%
Other connectivity gross margin	86	81	86	81	78	78	167	156	(11)	(6.6%)
Other connectivity gross margin %	46.7%	42.9%	47.3%	44.8%	47.9%	47.6%	46.0%	47.7%	1.7pp	

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	000's	000's	000's	000's	000's	000's	000's	000's	000's	%
Total IoT connections	1,799	2,048	2,250	2,376	2,429	2,498	2,376	2,498	122	5.1%

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

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Core Connectivity

Analysis & KPIs - Mobile

Consumer & SME	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
Pay monthly										
Connections (k)[1]	1,188	1,199	1,207	1,205	1,203	1,198	1,205	1,198	(7)	(0.6%)
ARPU ($)	45.51	44.34	44.03	44.90	46.23	45.95	44.46	46.08	1.62	3.6%
Prepaid										
Connections (k)	1,210	1,173	1,106	1,112	1,077	1,072	1,112	1,072	(40)	(3.6%)
ARPU ($)	16.09	15.88	16.21	16.00	15.98	15.98	16.10	15.98	(0.12)	(0.7%)
Total Consumer & SME mobile service revenue ($m)	438	431	428	433	437	436	861	873	12	1.4%
Enterprise & Government										
Pay monthly										
Connections (k)[1]	337	318	312	312	308	310	312	310	(2)	(0.6%)
ARPU ($)	30.48	29.50	27.18	26.54	25.05	24.59	26.74	24.82	(1.92)	(7.2%)
Total Enterprise & Government mobile service revenue ($m)	62	58	51	49	47	46	100	93	(7)	(7.0%)
Wholesale & other[2]										
Mobile service revenue ($m)	10	11	12	14	15	17	26	32	6	23.1%
Total mobile service revenue	510	500	491	496	499	499	987	998	11	1.1%

Total mobile	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Mobile service revenue	510	500	491	496	499	499	987	998	11	1.1%
Mobile non-service revenue[3]	239	225	248	218	255	264	466	519	53	11.4%
Total mobile revenue	749	725	739	714	754	763	1,453	1,517	64	4.4%
Mobile product costs[4]	(253)	(231)	(251)	(206)	(258)	(232)	(457)	(490)	(33)	(7.2%)
Mobile gross margin	496	494	488	508	496	531	996	1,027	31	3.1%
Mobile gross margin %	66.2%	68.1%	66.0%	71.1%	65.8%	69.6%	68.5%	67.7%	(0.8pp)	

	H1 FY24 000's	H2 FY24 000's	H1 FY25 000's	H2 FY25 000's	H1 FY26 000's	H2 FY26 000's	FY25 000's	FY26 000's	FY26 vs FY25 000's	FY26 vs FY25 %
Pay monthly connections	1,525	1,517	1,519	1,517	1,511	1,508	1,517	1,508	(9)	(0.6%)
Prepaid connections	1,210	1,173	1,106	1,112	1,077	1,072	1,112	1,072	(40)	(3.6%)
Internal connections	4	4	4	3	3	2	3	2	(1)	(33.3%)
Total mobile connections[5]	2,739	2,694	2,629	2,632	2,591	2,582	2,632	2,582	(50)	(1.9%)
Total ARPU ($)	30.66	30.03	30.17	30.41	31.08	30.85	30.29	30.96	0.67	2.2%

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

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

[3] Mobile non-service revenue includes handset sales, mobile interconnect, mobile equipment supplied to customers and partners, and other non-usage mobile revenues

[4] Includes handset, interconnect and cellphone tower access costs.

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

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Other

Analysis & KPIs - Cloud

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Cloud revenue	109	116	118	117	120	113	235	233	(2)	(0.9%)
Cloud product costs	(38)	(47)	(61)	(50)	(63)	(58)	(111)	(121)	(10)	(9.0%)
Cloud gross margin	71	69	57	67	57	55	124	112	(12)	(9.7%)
Cloud gross margin%	65.1%	59.5%	48.3%	57.3%	47.5%	48.7%	52.8%	48.1%	(4.7pp)	

Analysis & KPIs - IT Service Management

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
IT Service Management revenue	68	64	61	55	49	55	116	104	(12)	(10.3%)
IT Service Management product costs	(9)	(21)	(18)	(15)	(13)	(17)	(33)	(30)	3	9.1%
IT Service Management gross margin	59	43	43	40	36	38	83	74	(9)	(10.8%)
IT Service Management gross margin %	86.8%	67.2%	70.5%	72.7%	73.5%	69.1%	71.6%	71.2%	(0.4pp)	

Analysis & KPIs - Procurement and partners

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Procurement and partners revenue	339	209	332	206	344	219	538	563	25	4.6%
Procurement and partners product costs	(315)	(168)	(307)	(166)	(325)	(197)	(473)	(522)	(49)	(10.4%)
Procurement and partners gross margin	24	41	25	40	19	22	65	41	(24)	(36.9%)
Procurement and partners gross margin %	7.1%	19.6%	7.5%	19.4%	5.5%	10.0%	12.1%	7.3%	(4.8pp)	

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Statement of cash flows

	H1 FY24 $m	H2 FY24 $m	H1 FY25 $m	H2 FY25 $m	H1 FY26 $m	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Cash flows from operating activities										
Receipts from customers[1]	1,972	1,739	1,977	1,717	1,938	1,716	3,694	3,654	(40)	(1.1%)
Receipts from sale of interest-free payment (IFP) receivables	-	-	-	-	239	116	-	355	355	NM
Payments for collections on derecognised IFP receivables and buy backs	-	-	-	-	-	(117)	-	(117)	(117)	NM
Receipts from interest	13	15	15	14	13	7	29	20	(9)	(31.0%)
Payments to suppliers and employees	(1,519)	(1,134)	(1,566)	(1,145)	(1,509)	(1,109)	(2,711)	(2,618)	93	3.4%
Payments for income tax (net of refunds)	(101)	(88)	(78)	(108)	(14)	(113)	(186)	(127)	59	31.7%
Payments for interest on debt	(31)	(49)	(46)	(44)	(37)	(31)	(90)	(68)	22	24.4%
Payments for interest on leases	(23)	(23)	(24)	(26)	(25)	(25)	(50)	(50)	-	-%
Payments for interest on leased customer equipment assets	(4)	(3)	(3)	(3)	(2)	(3)	(6)	(5)	1	16.7%
Net cash flows from operating activities	307	457	275	405	603	441	680	1,044	364	53.5%
Cash flows from investing activities										
Proceeds from sale of property, plant and equipment	14	20	2	-	-	1	2	1	(1)	(50.0%)
Proceeds from sale of business, net of cash acquired	-	4	-	8	-	462	8	462	454	NM
Proceeds from sale of long-term investments	-	-	-	309	48	-	309	48	(261)	(84.5%)
Proceeds from long-term investments	-	7	-	17	-	21	17	21	4	23.5%
Receipts from finance leases	1	-	-	-	-	1	-	1	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, and advances to, long-term investments	(1)	-	-	-	-	-	-	-	-	-%
Payments for assets classified as held for sale[2]	-	-	-	-	(51)	(11)	-	(62)	(62)	NM
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum) and capacity	(347)	(235)	(228)	(204)	(208)	(166)	(432)	(374)	58	13.4%
Payments for spectrum intangible assets	-	(8)	-	(10)	(1)	-	(10)	(1)	9	90.0%
Payments for capitalised interest	(6)	(4)	(4)	(3)	(4)	(2)	(7)	(6)	1	14.3%
Net cash flows from investing activities	(331)	(219)	(229)	117	(216)	306	(112)	90	202	NM
Cash flows from financing activities										
Net proceeds from/(repayments of) debt and derivatives	489	21	190	(387)	(42)	(422)	(197)	(464)	(267)	NM
Payments for dividends	(249)	(245)	(160)	(142)	(236)	(151)	(302)	(387)	(85)	(28.1%)
Payments for share buy-back	(159)	-	-	-	-	-	-	-	-	-%
Payments for discounts on derecognised IFP receivables	-	-	-	-	-	(19)	-	(19)	(19)	NM
Payments for leases	(38)	(40)	(44)	(48)	(44)	(64)	(92)	(108)	(16)	(17.4%)
Receipts from lease incentive	-	-	22	-	-	-	22	-	(22)	(100.0%)
Payments for leased customer equipment assets	(20)	(14)	(11)	(13)	(14)	(19)	(24)	(33)	(9)	(37.5%)
Net cash flows from financing activities	23	(278)	(3)	(590)	(336)	(675)	(593)	(1,011)	(418)	(70.5%)
Net cash flows	(1)	(40)	43	(68)	51	72	(25)	123	148	NM
Opening cash and cash equivalents position	100	99	59	102	34	85	59	34	(25)	(42.4%)
Closing cash and cash equivalents position[3]	99	59	102	34	85	157	34	157	123	NM

[1] FY26 balances include $99 million of cash collected on behalf of Challenger Limited. See note 1.5 of the Financial Statements for further details.

[2] FY26 payments were for capital expenditure on data centre assets prior to their sale. This expenditure was recovered as part of the proceeds received from the sale of the data centre business. See note 1.4 of the Financial Statements for further details.

[3] FY26 balance comprises $52 million of cash in banks and $105 million of short-term deposits which are classified as cash equivalents.

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	H2 FY26 $m	FY25 $m	FY26 $m	FY26 vs FY25 $m	FY26 vs FY25 %
Reported EBITDAI	519	622	406	647	448	847	1,053	1,295	242	23.0%
EBITDAI from discontinued operations	11	11	13	12	14	4	25	18	(7)	(28.0%)
Adjusting items and non cash other gains	(20)	(58)	6	(54)	(15)	(295)	(48)	(310)	(262)	NM
EBITDAI for free cash flow	510	575	425	605	447	556	1,030	1,003	(27)	(2.6%)
Less										
Cash paid on BAU capital expenditure	(334)	(207)	(212)	(162)	(212)	(168)	(374)	(380)	(6)	(1.6%)
Cash paid on interest	(45)	(60)	(58)	(59)	(51)	(52)	(117)	(103)	14	12.0%
Cash paid on tax payments	(101)	(88)	(78)	(108)	(14)	(113)	(186)	(127)	59	31.7%
Cash paid on leases	(57)	(54)	(43)	(61)	(58)	(83)	(104)	(141)	(37)	(35.6%)
Total cash payments on items above	(537)	(409)	(391)	(390)	(335)	(416)	(781)	(751)	30	3.8%
Change in working capital										
Change in receivables	27	(78)	80	(57)	254	(62)	23	192	169	NM
Change in payables	(20)	65	41	(50)	75	20	(9)	95	104	NM
Change in inventory	(27)	18	(25)	32	(42)	31	7	(11)	(18)	NM
Change in contract assets	(8)	12	(6)	4	(1)	2	(2)	1	3	NM
Change in prepayments (excluding CAPEX)	(45)	36	(66)	58	(78)	76	(8)	(2)	6	75.0%
IFP adjustment	-	-	-	-	(213)	(6)	-	(219)	(219)	NM
Total change in working capital - (increase)/decrease	(73)	53	24	(13)	(5)	61	11	56	45	NM
Free cash flow	**(100)**	**219**	**58**	**202**	**107**	**201**	**260**	**308**	**48**	**18.5%**
Cash paid on strategic capital expenditure	(19)	(22)	(14)	(32)	(51)	(11)	(46)	(62)	(16)	(34.8%)
Free cash flow less strategic capex	(119)	197	44	170	56	190	214	246	32	15.0%

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Group capital expenditure (Capex)

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
BAU Capex	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Cloud	24	13	9	2	5	3	11	8	(3)	(27.3%)
Fixed network & International cable capacity	55	10	37	26	46	42	63	88	25	39.7%
IT systems	80	67	73	75	81	74	148	155	7	4.7%
Mobile network	65	24	91	29	81	59	120	140	20	16.7%
Property	7	4	4	3	2	5	7	7	-	-%
Other	4	6	1	-	2	1	1	3	2	NM
5G Acceleration & SA Readiness	32	74	23	28	-	-	51	-	(51)	(100.0%)
Converged tech	-	12	-	-	-	-	-	-	-	-%
Total BAU capex excluding spectrum	267	210	238	163	217	184	401	401	-	-%
Strategic Capex										
Data centres	19	22	14	14	54	12	28	66	38	NM
Total capex excluding spectrum	286	232	252	177	271	196	429	467	38	8.9%
Mobile spectrum	23	-	-	-	7	-	-	7	7	NM
Total capex including spectrum	309	232	252	177	278	196	429	474	45	10.5%
Cash Capex										
BAU	334	207	212	162	212	168	374	380	6	1.6%
Strategic	19	22	14	32	51	11	46	62	16	34.8%
Total cash capex excluding spectrum	353	229	226	194	263	179	420	442	22	5.2%

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

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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 year ended 30 June 2026, the net gain on sale of the data centre business in January 2026 amounted to $278 million and any associated tax impact were deemed significant to adjust. In the year ended 30 June 2025, the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts were deemed significant to adjust.

FY26	Reported (continuing operations)	Discontinued operations[1]	Adjusting items[2]	Total adjusted
Operating revenues and other gains	3,949	29	(278)	3,700
Operating expenses	(2,654)	(11)	-	(2,665)
Total EBITDAI	**1,295**	**18**	**(278)**	**1,035**
Net finance expense	(118)	-	-	(118)
Depreciation and amortisation	(602)	-	-	(602)
Net investment income / (loss)	(1)	-	-	(1)
Total net earnings before tax	**574**	**18**	**(278)**	**314**
Net tax expense	(88)	(5)	4	(89)
Net earnings	**486**	**13**	**(274)**	**225**

FY25	Reported (continuing operations)	Discontinued operations[1]	Adjusting items[3]	Total adjusted
Operating revenues and other gains	3,725	46	(71)	3,700
Operating expenses	(2,672)	(21)	53	(2,640)
Total EBITDAI	**1,053**	25	**(18)**	**1,060**
Net finance expense	(118)	-	-	(118)
Depreciation and amortisation	(590)	(14)	-	(604)
Net investment income / (loss)	2	-	-	2
Total net earnings before tax	**347**	**11**	**(18)**	**340**
Net tax expense	(95)	(3)	(15)	(113)
Net earnings	**252**	**8**	**(33)**	**227**

[1]The data centre business was classified as a discontinued operation in FY25, see note 1.4 of the Financial Statements for further details.

[2]FY26 balances include the net gain on sale of the data centre business in January 2026 amounted to $278 million and any associated tax impact.

[3]FY25 balances include the net gain on sale of the remaining Connexa investment of $71 million, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to $53 million and any associated tax impacts.

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Format below reflects Spark's next step towards SPK-30 distinguishing Core Connectivity from Other Services

Group operating revenues and other gains

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
Connectivity	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Mobile service revenue	510	500	491	496	499	499	987	998	11	1.1%
Mobile non-service revenue	239	225	248	218	255	264	466	519	53	11.4%
Total mobile	749	725	739	714	754	763	1,453	1,517	64	4.4%
Voice	94	86	78	72	65	61	150	126	(24)	(16.0%)
Broadband	309	304	302	306	303	293	608	596	(12)	(2.0%)
Other connectivity	184	189	182	181	163	164	363	327	(36)	(9.9%)
Total connectivity	1,336	1,304	1,301	1,273	1,285	1,281	2,574	2,566	(8)	(0.3%)
Digital services										
Cloud	109	116	118	117	120	113	235	233	(2)	(0.9%)
IT service management	68	64	61	55	49	55	116	104	(12)	(10.3%)
Other digital services[1]	15	16	15	19	17	18	34	35	1	2.9%
Total digital services	192	196	194	191	186	186	385	372	(13)	(3.4%)
Other										
Procurement and partners	339	209	332	206	344	219	538	563	25	4.6%
Other products[2]	90	93	89	83	78	87	172	165	(7)	(4.3%)
Total other	429	302	421	289	422	306	710	728	18	2.5%
Adjusted operating revenues	1,957	1,802	1,916	1,753	1,893	1,773	3,669	3,666	(3)	(0.1%)
Other gains	19	83	23	8	24	10	31	34	3	9.7%
Adjusted operating revenues and other gains	1,976	1,885	1,939	1,761	1,917	1,783	3,700	3,700	-	-%

Group product costs

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Connectivity										
Total mobile	(253)	(231)	(251)	(206)	(258)	(232)	(457)	(490)	(33)	(7.2%)
Voice	(43)	(38)	(36)	(32)	(30)	(27)	(68)	(57)	11	16.2%
Broadband	(161)	(164)	(162)	(169)	(162)	(156)	(331)	(318)	13	3.9%
Other connectivity	(98)	(108)	(96)	(100)	(85)	(86)	(196)	(171)	25	12.8%
Total connectivity	(555)	(541)	(545)	(507)	(535)	(501)	(1,052)	(1,036)	16	1.5%
Digital services										
Cloud	(38)	(47)	(61)	(50)	(63)	(58)	(111)	(121)	(10)	(9.0%)
IT service management	(9)	(21)	(18)	(15)	(13)	(17)	(33)	(30)	3	9.1%
Other digital services[1]	(4)	(3)	(4)	(5)	(4)	-	(9)	(4)	5	55.6%
Total digital services	(51)	(71)	(83)	(70)	(80)	(75)	(153)	(155)	(2)	(1.3%)
Other										
Procurement and partners	(315)	(168)	(307)	(166)	(325)	(197)	(473)	(522)	(49)	(10.4%)
Other products[2]	(23)	(25)	(30)	(24)	(19)	(30)	(54)	(49)	5	9.3%
Total other	(338)	(193)	(337)	(190)	(344)	(227)	(527)	(571)	(44)	(8.3%)
Adjusted product costs	(944)	(805)	(965)	(767)	(959)	(803)	(1,732)	(1,762)	(30)	(1.7%)

Gross margin by product

	H1 FY24	H2 FY24	H1 FY25	H2 FY25	H1 FY26	H2 FY26	FY25	FY26	FY26 vs FY25	
	$m	$m	$m	$m	$m	$m	$m	$m	$m	%
Connectivity										
Total mobile	496	494	488	508	496	531	996	1,027	31	3.1%
Voice	51	48	42	40	35	34	82	69	(13)	(15.9%)
Broadband	148	140	140	137	141	137	277	278	1	0.4%
Other connectivity	86	81	86	81	78	78	167	156	(11)	(6.6%)
Total connectivity	781	763	756	766	750	780	1,522	1,530	8	0.5%
Digital services										
Cloud	71	69	57	67	57	55	124	112	(12)	(9.7%)
IT service management	59	43	43	40	36	38	83	74	(9)	(10.8%)
Other digital services[1]	11	13	10	14	12	18	24	30	6	25.0%
Total digital services	141	125	110	121	105	111	231	216	(15)	(6.5%)
Other										
Procurement and partners	24	41	25	40	19	22	65	41	(24)	(36.9%)
Other products[2]	67	68	59	59	60	57	118	117	(1)	(0.8%)
Total other	91	109	84	99	79	79	183	158	(25)	(13.7%)
Adjusted product gross margin	1,013	996	950	986	934	970	1,936	1,904	(32)	(1.7%)
Other gains	19	83	23	8	24	10	31	34	3	9.7%
Adjusted gross margin	1,032	1,080	974	994	958	980	1,968	1,938	(30)	(1.5%)

[1] Other digital services includes Data, analytics and AI, Ubiquity and Digital Identity.

[2] Other products include network infrastructure delivery and products outside main categories.

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Corporate Governance Statement FY26

Annual Corporate Governance Statement FY26

The Board and Management of Spark New Zealand Limited (Spark) are committed to maintaining high standards of corporate governance.

Spark's governance structures and processes are regularly reviewed by the Board to ensure that they meet international best practice.

Spark is required to report against the NZX Corporate Governance Code (NZX Code) and has elected to consider and substantially comply with the ASX Corporate Governance Council's Principles and Recommendations (the Fourth Edition).

This statement is a snapshot of Spark's practices, processes and policies measured against the principles of the NZX Code for the period from 1 July 2025 to 30 June 2026. It was approved by the Board on 19 August 2026 and is accurate as at that date.



Justine Smyth, CNZM
Chair

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Principle 1:

Ethical Standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Recommendation 1.1

The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).

Spark has an integrated company-wide compliance framework. A Code of Ethics (which applies to all employees) and Directors' Code of Ethics (together, the Codes), together set out the standards by which our people are expected to conduct themselves. These Codes provide guidance on decision-making and set out to instil a culture of acting lawfully, ethically, and responsibly. Spark has a Whistleblowing Policy which outlines the range of options for Spark people to raise concerns or report wrongdoing, and sets out the protections and processes that apply when concerns are raised.

The Code of Ethics contains links to Spark's core policies, and details our values and expected behaviours. It also sets out Spark's approach to conflicts of interest, bribery and corruption, gifts and hospitality, confidentiality, use of assets and information, and compliance with laws. Also set out in the Codes are Spark's compliance escalation procedures that are designed to be used to report breaches of Spark's legal obligations, the Codes themselves, or other Spark policies. Any breaches can be reported through Spark's whistleblowing reporting channels, including via Spark's 'Honesty Box' confidential whistle-blowing online portal or directly to the Chief Executive Officer (CEO).

Training on Spark's Code of Ethics and how to apply this is compulsory for all employees. It is delivered through a series of online modules within Spark's learning management system. This training forms part of the onboarding journey for new employees, and annual completion of the module for existing employees is required to maintain compliance. We reinforce this training through regular reminders from People Leaders and broader internal communication across the business. The module content is reviewed annually and updated to reflect any code/policy changes, if necessary. We also embed relevant aspects of the Code into Spark 'plays'. Plays are one-page online guides on how to carry out common activities at Spark. Spark provides mandatory training on the importance of raising concerns and the reporting options available under its Whistleblowing Policy, supported by regular companywide reminders. The Directors' Code of Ethics is provided to new directors as part of their induction.

Spark's Code of Ethics, the Directors' Code of Ethics and the Whistleblowing Policy can be found here.

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Recommendation 1.2

An issuer should have a financial product dealing policy which applies to employees and directors.

Spark's Insider Trading Policy and Disclosure Policy (together with the associated procedures for implementation) are core policies that address the treatment of material information and trading in Spark and other issuers' financial products while in possession of material information.

These policies apply to all directors, senior managers and employees of the Spark group of companies.

Spark's Insider Trading Policy and the Disclosure Policy can be found here.

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Principle 2:

Board Composition & Performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Recommendation 2.1

The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

The Board of Directors is elected by shareholders to protect and enhance the value of the assets of Spark in the interests of Spark and its shareholders. The Board has statutory responsibility for the affairs and activities of Spark, which in practice is achieved through delegation to the CEO and those who are charged with the day-to-day leadership and management of Spark. The CEO has formally delegated certain authorities to direct reports and has established an empowerment (delegated authority) framework that sets out decision rights at Spark.

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

Information regarding the respective roles and responsibilities of the Board and Management is set out in the Board Charter, which can be found **here**.

Recommendation 2.2

Every issuer should have a procedure for the nomination and appointment of directors to the board.

The procedures for the appointment and removal of directors are governed by Spark's constitution, the Companies Act 1993 and relevant stock exchange listing rules.

Recommendations for nominations of new directors are generally made by the Nominations and Corporate Governance Committee (NOMs) and considered by the Board as a whole. External consultants are from time to time used to access a wide base of potential candidates, and to review and provide input on the suitability of candidates for appointment.

When recommending a candidate to act as Director, the NOMs takes into account factors including the candidate's experience, qualifications, and personal qualities. In doing so Spark will undertake appropriate checks, including as to the candidate's character, education, any criminal record, and bankruptcy history. The NOMs will review the candidate's skills and experience relative to the Board skills matrix to determine whether they will augment the existing Board skillset, and assess their availability to commit themselves to the role.

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If the Board appoints a new Director during the financial year, that person will stand for election by shareholders at the next annual meeting. Shareholders are provided with relevant information on the candidates standing for election in the notice of meeting.

Recommendation 2.3

An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

Each Director has a signed letter of appointment or employment agreement setting out the terms of their appointment, including their duties, terms, conditions of appointment, expectations of the role, and remuneration. Spark directors have no fixed term of office but are subject to the retirement provisions contained in Spark's constitution and relevant stock exchange listing rules.

Recommendation 2.4

Every issuer should disclose information about each director in its annual report or on its website, including:

a. a profile of experience, length of service and ownership interests;

b. the director's attendance at board meetings; and

c. the board's assessment of the director's independence.

A biography of each Board member can be found on Spark's **website**, with key information about each Board member also outlined on page 18 of the FY26 Annual Report. Director ownership interests (including relevant interests in Spark shares) are disclosed on page 59 of the FY26 Annual Report.

The Board skills matrix that outlines the qualifications, capabilities, geographical location, tenure, and gender of each member of the Board can be found in the Governance section of the FY26 Annual Report.

Board and Committee meeting attendance can be found on page 56 of the FY26 Annual Report.

The Board's statement regarding Director independence can be found on page 55 of the FY26 Annual Report.

Recommendation 2.5

An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them.

Spark's Board believes that diverse teams and diversity of thought are essential for driving strategic growth, enhancing customer experience, and improving overall business performance.

Spark's commitment to diversity, equity, and inclusion is a strategic business priority, and there is an ongoing focus on attracting, retaining, and progressing a diverse range of people across the business. We have measurable ambitions to improve female representation and reduce our median gender pay gap, and these are reported on annually.

Spark's Diversity and Inclusion Policy sets out the requirement for the Board to set and review measurable objectives for achieving diversity each year. As a baseline for measurable objectives for diversity of Board composition, the policy requires Spark to ensure it has an objective in accordance with,

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or in excess of, the standard set out in the NZX Corporate Governance Code, that the composition of the Board is not to have fewer than 30% of its directors being male and not fewer than 30% of its directors being female, within a specified period.

The Human Resources and Compensation Committee (HRCC) annually reviews and reports to the Board on the relative proportion of gender and cultural diversity that makes up Spark's workforce and recommends objectives to the Board, assesses progress towards these objectives and ensures transparency through disclosures in the Annual Report.

Further details on diversity, equity and inclusion at Spark, and reporting on our workforce demographics, can be found in the 'Our People' section of the FY26 Annual Report.

Spark's Diversity and Inclusion policy can be found here.

Recommendation 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

The Board introduces new Directors to Management and business operations through tailored induction programmes designed to meet individual requirements.

Directors receive regular updates on pertinent industry developments and company matters, which include site visits to Spark facilities and briefings from key members of the Leadership Team or external experts, and Director-led education discussions where Directors share insights from recent professional development, governance programmes, industry forums, and other continuing education activities. The Board expects all Directors to undertake continuous education so that they may appropriately and effectively perform their duties.

Recommendation 2.7

The board should have a procedure to regularly assess director, board and committee performance.

The Board regularly discusses governance and performance, and annually reviews its own performance as a whole against the Board Charter, and each Committee's performance against its charter. The Chair meets with Directors to discuss the performance of each Director individually.

Board evaluations are undertaken annually to seek Director, and, where appropriate, Leadership Team feedback on a range of matters relating to Board performance, including its role and composition and engagement with Management, shareholders and stakeholders.

The collective results of the evaluation are then reported to the Board by the Chair and discussed individually with Directors. The last Board evaluation review was undertaken in May 2026.

Recommendation 2.8

A majority of the board should be independent directors.

Spark's Board Charter requires that a majority of directors must be independent.

Each Director is required to provide the Board with all the information it needs to undertake an annual assessment of the director's independence. The Board confirms that a majority of Directors are Independent Directors, having regard to all relevant factors, including the formal criteria for 'independent directors' according to the NZX Listing Rules, the NZX Corporate Governance Code and the Board Charter.

Recommendation 2.9

An issuer should have an independent chair of the board.

The Chair is elected by the Board. The Chair's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the CEO.

The current Chair, Justine Smyth, is a Non-Executive and Independent Director as required by the Board Charter. The Board does not have a Deputy Chair.

Recommendation 2.10

The chair and the CEO should be different people.

The Board supports the separation of the roles of Chair and the CEO. The current CEO, Jolie Hodson, is an Executive Director.

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Principle 3:

Board Committees

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

Spark's Board establishes committees to assist in the execution of the Board's responsibilities. Board committees do not act or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The current committees of the Board are (together, the Committees):

- Audit and Risk Management Committee (ARMC);
- Human Resources and Compensation Committee (HRCC); and,
- Nominations and Corporate Governance Committee (NOMs).

Other committees may be established from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

Recommendation 3.1

An issuer's audit committee should operate under a written charter. An audit committee should only comprise non-executive directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The chair of the audit committee should be an independent director and not the chair of the board.

Under the ARMC Charter, the Board has delegated responsibility to the ARMC for reviewing Spark's principal risks on an at least annual basis. This ensures an established risk management framework that:

- includes policies and procedures to effectively identify, treat, and monitor principal business risks;
- assesses the effectiveness of the risk management system and ensures it is fit for purpose; and
- monitors compliance with the risk management framework.

The ARMC is also tasked with ensuring the quality, credibility, and objectivity of Spark's accounting processes, including financial reporting. The ARMC will discuss interim financial statements with the Leadership Team, including whether the reporting is consistent with the Committee members' information and knowledge and whether it is adequate for shareholder needs.

The ARMC is comprised solely of Non-Executive Directors. The current Chair of the ARMC is Lindsay Wright, who is an Independent Director with an accounting and financial background and is not the Chair of the Board.

The members of the ARMC and their key skills and capabilities can be found on pages 54 and 56 of the FY26 Annual Report.

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Recommendation 3.2

Employees should only attend audit committee meetings at the invitation of the audit committee.

Spark Management and employees can only attend ARMC meetings at the invitation of the Committee.

Recommendation 3.3

An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

The HRCC operates under a written charter and is responsible for reviewing Spark's remuneration policy and practices, as well as Spark's overall human resources strategy, structure, policy, and practices. The remuneration of directors is reviewed by the HRCC – taking account of Spark's size and complexity and the responsibilities, skills, performance, and experience of the directors – with recommendations made to the Board for approval.

The HRCC is comprised of a majority of Independent Directors.

Spark Management and employees can only attend HRCC meetings at the invitation of the HRCC.

Recommendation 3.4

An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

The NOMs' operates under a written charter and its role is to identify and recommend to the Board individuals for nomination as members of the Board and its Committees (considering such factors as it deems appropriate, including experience, qualifications, judgement, and personal qualities); and to develop and review Spark's corporate governance principles, and make recommendations to the Board. The NOMs is also responsible for reviewing Board succession planning.

The NOMs is comprised of a majority of Independent Directors.

Recommendation 3.5

An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

Each Board Committee has a charter summarising the role, rights, responsibilities and membership requirements for that Committee. The Board reviews the charters of the Board Committees annually and their performance against those charters, with the last annual review conducted in November 2025.

The Board is responsible for appointing committee members and chairs according to the skills, experience, and other qualities they bring to the Committee. All Board Committees are comprised of a majority of Independent Directors. A Committee Chair is entitled to invite persons to attend Committee meetings as deemed necessary.

Specific Committee memberships and attendance information are outlined on page 56 of the FY26 Annual Report.

The Board Committee Charters can be found here.

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Recommendation 3.6

The board should establish appropriate protocols that set out the procedure to be followed if there is a 'control transaction' for the issuer including the procedure for any communications between the issuer's board and management and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent control transaction committee, and the likely composition and implementation of an independent control transaction committee.

Spark's Board has put in place Takeover Response Guidelines that set out the procedures and protocols to be followed if there is a control transaction offer for Spark, including procedures with regards to communications between insiders and the bidder, the preparation of an independent advisor's report, and establishment of a bid response sub-committee.

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Principle 4:

Reporting & Disclosure

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

Recommendation 4.1

An issuer's board should have a written continuous disclosure policy.

Spark is committed to providing timely, orderly, and credible information consistent with legal and regulatory requirements. Pursuant to its Disclosure Policy, Spark has an appointed Disclosure Officer to authorise all financial market communications. Together with the Company Secretary, the Disclosure Officer is responsible for overseeing Spark's disclosure practices and ensuring that all material information is lodged promptly and without delay with the relevant stock exchanges, and ensuring that the Board is kept informed of the nature and quality of the information being disclosed to the market.

Authorised spokespeople are restricted to reduce the risk of inconsistent communications and to ensure that public comments are within the bounds of information already in the public domain and/or information that is not materially price sensitive.

Recommendation 4.2

An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Spark's website has a dedicated **governance section** that contains Spark's policies that outline its core governance structures and processes.

This includes the Code of Ethics, Board Charter (and the charters of the various committees), Disclosure Policy, Insider Trading Policy, Diversity and Inclusion Policy, Director and Executive Remuneration Policies, Whistleblowing Policy and other principal corporate governance documents.

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Recommendation 4.3

Financial reporting should be balanced, clear and objective.

Spark's financial reports are prepared in a manner that is balanced, clear and objective. The financial statements in the Annual Report are prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and comply with New Zealand equivalents to IFRS Accounting Standards (NZ IFRS).

The Board requires that, prior to its approval of financial statements, the CEO and Chief Financial Officer (CFO) make a declaration that, in their opinion, Spark's financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Spark; and that their opinion has been formed on the basis of a sound system of risk management and internal control, which is operating effectively.

Recommendation 4.4

An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.

In addition to the published financial statements, Spark's Annual Report provides information on Spark's performance on several non-financial matters, including environmental, social, and governance commitments.

Spark's FY26 Annual Report applies the Integrated Reporting <IR> Framework and Global Reporting Initiative (GRI) standards. Spark also publishes a stand-alone Climate-related Disclosures Report, which has been prepared in compliance with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB). The Climate-related Disclosures Report also integrates our FY26 Greenhouse Gas Inventory Report.

Spark's FY26 Modern Slavery and Human Rights Statement is also published alongside this Corporate Governance Statement as part of our FY26 annual reporting disclosures.

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Principle 5:

Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Recommendation 5.1

An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

The HRCC is responsible for Spark's remuneration policy and practices and is also ultimately responsible for ensuring Spark meets legislative and regulatory requirements as they relate to remuneration matters.

Spark is committed to ensuring that the remuneration of directors is transparent, fair, and reasonable. The total fees available to be paid to directors are subject to shareholder approval.

Non-Executive Director remuneration is determined with consideration of the size and complexity of Spark and relative market benchmarks. From time-to-time, independent consultants are engaged for benchmarking purposes to ensure that the remuneration of Spark's Non-Executive Directors is appropriate and comparable to that of similar companies in New Zealand and, as relevant, Australia. Non-Executive Directors are also expected to purchase and hold an amount of Spark shares within the first three years of their appointments.

Jolie Hodson, as an Executive Director, does not receive any director fees.

Further details on Non-Executive Director remuneration can be found in the Remuneration Report at pages 51 and 52 of the FY26 Annual Report.

Further details on Non-Executive Director shareholding expectations can be found on page 59 of the FY26 Annual Report.

Further details on directors' Spark shareholdings can be found at pages 58 and 59 of the FY26 Annual Report.

Spark's Director Remuneration Policy can be found here.

Recommendation 5.2

An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.

The Leadership Team's remuneration consists of a fixed remuneration component and at-risk short-term and long-term incentives. Spark's short-term incentive (STI) scheme rewards senior leaders for the achievement of annual performance objectives, with payments

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awarded from a fixed cash pool that is set based on overall Spark performance against financial and/or non-financial annual performance objectives.

Spark believes that senior leaders should have part of their remuneration linked to the long-term performance of Spark. For the Leadership Team and a select group of senior leaders, a long-term incentive (LTI), which vests after three years contingent on continued employment and Spark achieving performance hurdles, forms part of their remuneration packages.

Further details on Leadership Team remuneration can be found in the Remuneration Report at page 48 of the FY26 Annual Report.

Spark's Executive Remuneration policy is here.

Recommendation 5.3

An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance based payments.

The CEO's remuneration package reflects the scope and complexity of the role and is set by the Board, with reference to the remuneration of CEOs of similarly sized organisations. For FY26 the CEO's remuneration package comprises a fixed cash component, an at-risk short-term incentive and an at-risk long-term incentive.

The CEO's annual cash-based short-term incentive is subject to the achievement of specific performance objectives set by the Board based on Spark's strategy and business plan for the respective financial year.

The CEO's annual long-term incentive will be granted as options under Spark's LTI scheme, contingent on continued employment and Spark achieving performance hurdles. The CEO is also expected to purchase and hold an amount of Spark shares.

Further details on CEO remuneration can be found in the Remuneration Report on page 48 of the FY26 Annual Report.

Further details on the CEO shareholding expectations can be found on page 51 of the FY26 Annual Report.

For more details on Director and Executive remuneration please see the Remuneration Report in the FY26 Annual Report.

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Principle 6:

Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Recommendation 6.1

An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Spark's operating model, decision-making practices and governance arrangements empower its people to make decisions and manage the risks associated with achieving Spark's strategy and business objectives. Strong corporate governance, including a highly effective and integrated risk management framework, helps Spark make good business decisions that create stakeholder value.

Spark's Managing Risk Policy and Framework is benchmarked to the COSO ERM 2017, a leading enterprise risk management standard, and is designed on the principle that managing risk creates, protects, and enhances value. It is embedded in decision-making processes and accountability structures so that uncertainty and risk can be managed effectively. The framework is iterative and responsive to change, helping Spark adapt to evolving internal and external conditions.

The ARMC is responsible for ensuring that Management has established an effective risk management framework. Risk owners are accountable for identifying, assessing, managing and monitoring risks within their areas of responsibility, supported by clear governance and escalation processes. The Risk team is responsible for maintaining and continuously improving the framework and providing enterprise-wide guidance, challenge and reporting. The framework is structured around the Three Lines of Defence Risk Model, ensuring that risk ownership, oversight and independent assurance are clearly defined across Spark.

The ARMC reviews management's principal risk profile (Spark's material risks) bi-annually. It also receives reports on the effectiveness of the implementation and operation of the policies and systems designed to manage risk. The ARMC receives quarterly reporting from the Risk, Internal Audit and Fraud functions on the effectiveness of risk management, the evolution of the Managing Risk Framework, internal audit findings, fraud risk management activities and the status of management actions.

The ARMC receives an annual assessment to confirm the Managing Risk Framework is designed and operating effectively. The last assessment was undertaken by Spark's Risk team in August 2025. Every five years Spark also has its Managing Risk Framework externally reviewed to ensure it remains fit for purpose and is operating effectively. The next review is scheduled to be completed by November 2027.

A summary of Spark's Managing Risk Framework and Spark's identified principal business risks and mitigations are outlined in the Risk Management section of the FY26 Annual Report.

Spark's Managing Risk Policy can be found here.

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Recommendation 6.2

An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Spark is committed to fostering a workplace where our people, partners, and suppliers are accountable and empowered to work together to protect and promote the health, safety, and wellbeing of all.

To achieve this Spark has an established Health and Safety framework supporting our ACC Accredited Employer Programme for strong injury prevention and management practices; active hazard and risk management; development of an employee-driven safety culture; and the right resources and processes to deliver on the framework. Integral to the framework is the Health and Safety Information System, which shapes and monitors key performance indicators across the business, focusing on Spark's strategic objectives, targets, and managing critical hazards and risks.

The Board and Leadership Team are both integrally involved in health and safety strategic planning, implementation, and monitoring. Spark has also integrated wellbeing into its health and safety framework to make sure that we consider the full range of factors that contribute to healthy and safe working lives at Spark. This framework is a key part of building a safe, healthy, and inclusive environment for our people.

Further details regarding Spark's health and safety performance can be found in the Our People section of the FY26 Annual Report.

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Principle 7:

Auditors

"The board should ensure the quality and independence of the external audit process."

Recommendation 7.1

The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures:

a. for sustaining communication with the issuer's external auditors;

b. to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;

c. to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and

d. to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

The ARMC oversees Spark's relationship with its external auditor. The External Auditor Independence Policy and ARMC Charter together establish a framework for the engagement of the external auditor. The objective of this framework is to maintain the independence of the external auditor, both in fact and appearance, and support confidence in the reliability and credibility of Spark's financial reporting.

The ARMC is responsible for the appointment of Spark's external auditor, approval of its terms of engagement, and subject to shareholder approval, audit fees. The ARMC Charter also defines the services that may and may not be performed by the external auditor.

The ARMC annually assesses and confirms to the Board the independence of the external auditor in accordance with the External Auditor Independence Policy. Rotation of the external audit firm is not mandated. However, rotation of the lead audit partner is required, and occurs every five years. In accordance with this policy, Melissa Collier was appointed lead audit partner for FY26, succeeding Jason Stachurski.

The ARMC Charter establishes the protocols for communication between the ARMC, Management and the external auditor.

The ARMC Charter and the External Auditor Independence Policy can be found here.

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Recommendation 7.2

The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

Representatives of Spark's external auditor attend Spark's annual meeting and are available to answer shareholder questions regarding the conduct of the audit and the content of the external auditor's reports.

Recommendation 7.3

Internal audit functions should be disclosed.

The primary objective of Spark's internal audit function is to support the Board and Management in exercising good governance by providing independent assurance over the effectiveness of Spark's risk management, control and governance processes.

The ARMC approves the appointment and oversees the performance of the Risk, Internal Audit and Fraud Lead, who is accountable for leading Spark's internal audit function and has direct access to the Chair of the ARMC. The Internal Audit Charter defines the Internal Audit's purpose, authority and responsibilities. Internal Audit is independent of the activities it audits and has unrestricted access to Spark's records, systems and employees.

The Internal Audit team delivers an annual Risk, Internal Audit and Fraud Plan, which is developed using Spark's principal risks, business priorities and other emerging risks. The ARMC approves the plan and monitors progress against it throughout the year. The ARMC also reviews whether the Internal Audit team is appropriately resourced and has the skills and capability required to provide effective assurance over Spark's key risks. Audit priorities are reviewed quarterly following consultation with the ARMC and relevant Management stakeholders.

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Principle 8:

Shareholder Rights & Relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Spark is committed to promoting a fair and transparent market through comprehensive continuous disclosure, and ensuring our shareholders are provided with the information required to exercise their rights.

Spark's Disclosure Policy and associated procedures govern communications with shareholders and other stakeholders. All material information is lodged promptly and without delay with the relevant stock exchanges. Once lodged, information is published on Spark's investor website, and shared with local media and other market commentators where appropriate. Spark may make available on its website any other relevant information made available to investors/ analysts (e.g. presentation materials).

Recommendation 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Spark's website is an important avenue of communications with shareholders and other stakeholders. Spark maintains a dedicated **investor website** which contains market releases, financial information, current and past annual reports, investor presentations and webcasts, dividend and share price histories, notices of meeting, biographies of Spark Directors and Leadership Team, investor contacts, important calendar dates, and other information about Spark.

Recommendation 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.

Spark provides shareholders with the option to receive communications from, and send communications to, Spark electronically.

Spark is committed to maintaining multiple channels of shareholder communications and engagement, which currently includes:

1. semi-annual earnings announcements via webcast and audio conference;
2. semi-annual post-results briefings with investors in New Zealand and offshore financial centres;
3. regular ad hoc one-on-one and group investor and analyst meetings;
4. an annual meeting with both in-person and virtual participation;
5. an Annual Report, Corporate Governance Statement, Modern Slavery and Human Rights Statement, and Climate-related Disclosures report; and
6. investor briefing days (where appropriate) and presentations to domestic and international investors at broker led conferences.

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Spark remains committed to maintaining its investment profile in key investment markets in Europe, North America, Asia and Australasia to ensure that its strategies and opportunities are understood, and the market is fully informed.

All Spark shareholders are encouraged to participate in the annual meeting, including in person and virtually via an online annual meeting platform where shareholders can vote, ask questions, and watch the meeting via webcast. Shareholders can also electronically appoint and direct proxies to vote on their behalf at the annual meeting.

The annual meeting webcast will be archived on the Spark investor website after the meeting.

Recommendation 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

Spark is committed to ensuring that each shareholder who invests in Spark has the right to vote on major decisions that may change the nature of the company. All of Spark's shareholders have the right to one vote per share, and voting at the annual meeting is conducted by poll.

Recommendation 8.4

If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Spark did not undertake any equity capital raises over the 12 months to 30 June 2026.

Recommendation 8.5

The board should ensure that the notice of annual or special meeting of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the annual meeting.

Spark's Annual Meeting of Shareholders was held as a hybrid meeting on Friday, 7 November 2025. The Notice of Annual Meeting was published on Friday, 3 October 2025.

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Glossary

ARMC	Audit and Risk Management Committee
HRCC	Human Resources and Compensation Committee
LTI	Long-Term Incentive Scheme, which is part of Spark Leadership Team and CEO remuneration
NOMs	Nominations and Corporate Governance Committee
Spark	Spark New Zealand Limited
STI	Short-Term Incentive Scheme, which is part of Spark Leadership Team and CEO remuneration

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Spark New Zealand Limited
Private Bag 92028
Auckland 1142
New Zealand

spark.co.nz

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Modern Slavery and Human Rights Statement FY26

Spark Modern Slavery and Human Rights Statement FY26

About this Statement

This Modern Slavery and Human Rights Statement is made on behalf of Spark New Zealand Limited ('Spark' and its subsidiaries, the 'Spark Group') for the period from 1 July 2025 to 30 June 2026. Spark New Zealand Limited is the parent entity of the Spark Group. Spark is publicly listed, and our issued shares are quoted on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX). (**NZX: SPK, ASX: SPK**).

Spark is a reporting entity for the purposes of the Modern Slavery Act 2018. Spark engaged and consulted with the relevant companies we own or control (the Spark Group) in the development of this Statement. As of 30 June 2026, the Spark Group comprised 25 controlled entities. See Appendix 1 for a full list of Spark subsidiaries.

We have integrated high-level disclosure on our broader human rights impacts alongside our detailed modern slavery statement reporting.

This Statement has been published in accordance with the requirements of the Australian Modern Slavery Act 2018, and approved by the Board on 19 August 2026.

Mandatory criteria of the Modern Slavery Act

Criterion	Reference
Identify the reporting entity	Page 2: About this Statement
Describe the reporting entity's structure, operations and supply chains	Page 2: About this Statement Page 6: Spark's operations Page 27: Spark Group structure and subsidiaries
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 12 – 13: Due diligence Pages 14 – 24: Addressing potential impacts
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Pages 12 – 13: Due diligence Pages 14 – 24: Addressing potential impacts
Describe how the reporting entity assesses the effectiveness of these actions	Pages 25 – 26: Reviewing effectiveness and reporting
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 2: About this Statement Pages 8 – 10: Policies and governance Page 27: Spark Group structure and subsidiaries

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Key modern slavery actions

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- Mapping our global supply chain
- Spark's supplier code of conduct
- Supplier risk assessment
- Supplier audit programme

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- Our direct workforce
- Our indirect workforce

Other human rights risks

Downstream impacts of our products and services 23

- Privacy
- Impacts of emerging technologies – data ethics and governance
- Risk in our customer base
- Digital equity

Modern slavery is one of a number of important human rights topics Spark considers. We have chosen to report our modern slavery disclosures in the broader context of human rights.

Our governance, policies, and approach are shared across human rights topics. This is detailed in our **Human Rights and Modern Slavery Framework** on page 7.

We report key **modern slavery** actions on pages 14 – 24. This includes how we address impacts in our **supply chain** and in **our operations**.

We also report specific actions against a number of other human rights topics related to the **downstream impacts of our products and services.** See pages 23 – 24.

This report focuses on the potential human rights impacts that have been identified through our **due diligence processes**. See pages 12 – 13.

We recognise human rights is a broad and complex topic, and that we need to continue to mature and **review the effectiveness of our approach**. See pages 25 – 26.

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CEO message

At Spark, we believe that everyone deserves freedom, dignity and human rights, no matter who they are or where they come from. We know our actions can impact people throughout our value chain – whether it's upstream from our suppliers to our business operations, or downstream to our customers and communities.



Jolie Hodson MNZM, CEO

Modern slavery is a complex global issue that affects supply chains everywhere. It includes the exploitation of any person in any form – including forced labour, debt bondage, forced marriage, slavery, human trafficking, or situations where an individual cannot leave due to threats, violence, or deception.

Within our direct workforce we're committed to following the letter and spirit of the law and building a fair, engaged and inclusive culture where everyone feels valued and recognised, and can truly be themselves at work.

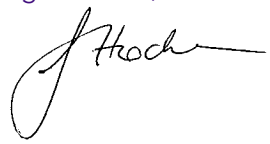
Because we buy products and services from all over the world and partner with global companies, our indirect workforce is large and diverse. We want our suppliers to offer safe workplaces, treat their teams with respect and dignity, and operate responsibly for people and the planet. That's why we've put policies and processes in place to help identify, prevent, mitigate and remedy human rights issues wherever they might arise. We also know it's hard for one company to influence so many different organisations, so we work with our global peers as part of the Joint Alliance for CSR (JAC), teaming up to tackle these challenges and make a bigger impact together.

With the New Zealand Modern Slavery Bill currently progressing through Parliament, and our business customers placing increasing importance on responsible and transparent supply chains, continuing to strengthen our approach to modern slavery risk is an important priority for Spark.

We also recognise that human rights considerations in our business extend beyond our people and supply chain, to the technologies we use, create, and deploy. As the capabilities of new technologies expand, particularly with rapid developments in Artificial Intelligence (AI), there is increasing concern about how these tools are designed and used, and the potential impacts they may have on people and communities. We recognise we must take a responsible and ethical approach to the design and operation of digital technologies.

This report is a snapshot of how we're working to uphold human rights and address modern slavery risks across Spark and our value chain. It highlights what we've done over the past year and the steps we're taking. We're always keen to hear your feedback and to work together, as we keep learning and improving our approach in the years to come.

Ngā mihi nui,



Jolie Hodson MNZM
CEO

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Modern slavery and human rights: timeline of key actions

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FY17

Introduction of Spark Supplier Code of Conduct

FY19

First internal supplier audits conducted against Supplier Code of Conduct requirements

FY21

First Modern Slavery Statement published (reporting on FY20 year)

Spark ESG (Environmental, Social, and Governance) team established

FY22

Spark joins global Joint Alliance for CSR (JAC) organisation

Introduction of Spark Human Rights Policy following initial due diligence process

Spark AI Principles published

FY23

Supplier risk assessment developed to identify priority suppliers

FY24

First JAC third-party audits conducted on overseas supplier sites

Human Rights and Supply Chain squad and steering committee established

First human rights and modern slavery training developed and delivered to key teams

Supplier self-assessment process initiated for priority suppliers

FY25

JAC audit programme continued with first audits of New Zealand-based suppliers

FY26

Achieved 'A' rating in the Monash University Modern Slavery Disclosure Quality Ratings (for FY24 report)

Five further third-party audits completed at overseas supplier sites in China and India

About Spark

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

#1
Market share in mobile and broadband[1,2]

2.6m
mobile connections

3,416
employees[4]

99%
of New Zealanders reached by our 4G network[5]

629k
broadband connections

58
retail stores

60%+
of the population reached by our 5G network[5]

#1
For widest mobile network coverage experience (4G and 5G)[3]

110k+
small-medium business customers

24
regional business hubs

2.5m
devices connected to our Internet of Things (IoT) network

1,100+
enterprise and government customers

+42
customer interaction net promoter score

2,262
mobile sites housing our active infrastructure[6]



1. IDC New Zealand mobile service revenue market share report as at 30 June 2026.
2. 2025 Telecommunications Monitoring Report, National retail broadband market share.
3. Spark ranked first for overall coverage experience and 5G coverage experience, as awarded by Opensignal in the October 2025 NZ Mobile Network Experience report.
4. Total headcount as of 30 June 2026. Spark FTE (full time employee) number is 3,317 as of 30 June 2026.
5. Spark's network connects 99% of the population across New Zealand, in areas where people work and live. Population coverage is calculated by measuring the percentage of address points that fall within the predicted coverage area generated by Spark's propagation model.
6. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2026.

Our Human Rights and Modern Slavery Framework

Spark has policies and systems in place to assess, prevent, mitigate, and remedy instances of human rights or modern slavery violations as part of our overarching sustainability and risk management approach. This approach is outlined in our Framework, and forms part of our broader sustainability framework and People and Culture practices.

Our Modern Slavery and Human Rights Statement is divided into five sections corresponding to the five elements of this framework.

Spark has a suite of policies that support our human rights and modern slavery focus, with an ongoing work programme to drive continuous improvement. Our sustainability governance structure ensures that sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.

See pages 8 - 10

Training and awareness are critical to our ability to prevent and manage human rights and modern slavery risks. We engage with key teams across the business to increase understanding and awareness of risk.

See page 11



We identify potential human rights and modern slavery risk areas through ongoing human rights due diligence processes, aligned to our annual sustainability materiality process and our principal risk assessment, alongside ongoing processes of supply chain risk assessment. We also have mechanisms in place to enable timely reporting of issues by our people.

See pages 12 - 13

We review progress against our Human Rights and Modern Slavery programme of work through the Human Rights and Supply Chain Steering Committee, and report to the Leadership Team and Board quarterly. We report publicly on our progress annually through this Statement.

See pages 25 - 26

VALUES

UNDERPINNED BY STRONG GOVERNANCE AND OUR VALUES

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

Where we identify potential impacts, our overriding objective is to work alongside our suppliers, partners, and customers to address and remediate these issues. We address upstream risk in our supply chain through our Joint Alliance for CSR (JAC) supply chain audit programme, led internally by our Audit and Risk team. This includes tracking corrective actions to address any issues identified. We have mature processes in place to manage issues, such as privacy. For emerging issues in our direct operations and downstream impacts of our products and services, mitigation actions are agreed and tracked through the Human Rights and Supply Chain Steering Committee.

- **Upstream impacts in our supply chain: pages 14 - 20**
- **Direct impacts in our operations: pages 21 - 22**
- **Downstream impacts of our products and services: pages 23 - 24**

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1. Policies and governance

Our human rights and modern slavery work is driven by our Human Rights and Supply Chain team. This team is led by our Sustainability Lead, who reports to our Chief Marketing and Corporate Affairs Officer – a member of Spark's Leadership Team (executive team).

The team is comprised of representatives from the Spark Partnerships and Procurement, People and Culture, Legal, and Risk and Internal Audit teams, and a supply chain representative from Spark subsidiary, Entelar Group. The Human Rights and Supply Chain Steering Committee has governance oversight of the programme, and serves as an escalation point for important decisions. The Steering Committee includes senior leaders across the business, including the Chief Marketing and Corporate Affairs Officer and Chief People and Culture Officer.

We report on progress against this work to our Leadership Team and Board on a quarterly basis. An overview of Spark's sustainability governance structure is provided on this page. This approach ensures sustainability is overseen at the highest levels of our organisation and embedded throughout our everyday operations.



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Our Human Rights and Modern Slavery work programme

Spark's Human Rights and Modern Slavery work programme supports prioritisation and resource allocation within the business. This programme is developed by our Human Rights and Supply Chain team and approved by the Human Rights and Supply Chain Steering Committee. For details on how we assess our performance against the work programme, see page 25.

Focus area	Description	KPIs
Policies and governance	Set clear expectations for our people, suppliers, and stakeholders, with governance processes to oversee operationalisation	• Our policies are fit-for-purpose • Our Human Rights and Modern Slavery Framework is aligned to best practice and updated as needed to respond to the evolving risk environment • We have a clear work programme to drive continual improvement
Training and communications	Regular communications to our people, suppliers, and other stakeholders to ensure our policies and expectations are understood	• Our company-wide communications and training equip our people to understand relevant human rights risks (e.g. privacy, use of AI tools), including how to raise concerns • Our training for supply chain and customer-facing teams equips the people most likely to identify human rights and modern slavery risks across our value chain with effective management approaches
Due diligence	Risk assessment and due diligence processes that enable accurate and timely identification of human rights and modern slavery risks across our value chain, including trusted and accessible reporting mechanisms for employees to raise concerns	• Our risk assessment processes accurately identify our human rights and modern slavery risks • Our due diligence processes enable us to identify and manage modern slavery risks relating to suppliers and other third parties • Our people have access to our whistleblowing processes to raise concerns if they need to
Addressing potential impacts	Engaging proactively across our value chain to address potential impacts, including third-party JAC audits of high-risk suppliers to identify and address upstream issues	• Our suppliers have effective grievance mechanisms in place for their own workforces • Any modern slavery-related complaints received are appropriately identified and investigated
Reviewing effectiveness and reporting	Reviewing our progress regularly through our governance processes and providing transparent reporting annually to our stakeholders	• Our governance process is operating as intended • Our reporting continues to improve year-on-year

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Our policies

Our Human Rights Policy confirms our commitment to internationally recognised human rights as laid out in the International Bill of Rights and the International Labour Organisation (ILO)'s Declaration on the Fundamental Principles and Rights at Work. We continue to review this Policy to ensure it remains fit-for-purpose.

Spark's human rights commitment is supported by a set of policies that articulate our expectations to our people and provide transparency on how team members can report concerns or issues. These policies are supported by our People and Culture team, which provides specialised advice to team members on human resources matters.

We review these policies on a regular basis to ensure they remain fit-for-purpose. Spark's policies, including the Annual Corporate Governance Statement, can be found on the **Governance section of our website**. Spark's policies apply to Spark and all subsidiaries. The following policies are the most relevant to preventing human rights and modern slavery issues within our business:

Policy	Purpose
Human Rights Policy	Commits Spark to support and respect internationally recognised human rights as laid out in the International Bill of Rights and the International Labour Organisation (ILO)'s Declaration on the Fundamental Principles and Rights at Work. The policy includes details of potential human rights impacts and policies and processes in place to address these.
Labour Practices Policy	Communicates Spark's commitment to upholding fair and ethical labour practices across our operations. It summarises our positions across a number of internal and external governance documents, including our Code of Ethics, Human Rights Policy, Bullying, Harassment, and Discrimination Policy, and Diversity and Inclusion Policy.
Diversity and Inclusion Policy	Outlines how Spark aims to support diversity and inclusion, as well as proactively recognising equality across the business to deliver enhanced customer experiences and business performance.
Health and Safety Commitment	Aims to ensure that all Spark people go home safe and sound at the end of each working day.
Supplier Code of Conduct	Sets out the minimum standards we expect from all our suppliers across labour and human rights, privacy, health and safety, environmental sustainability, and ethical business practices. All new suppliers are required to sign up to the Code, or demonstrate commitment to an equivalent code of practice, as part of their onboarding process.
Privacy Values	Spark's Privacy Values (Protection, Fairness, Empathy, Transparency, Innovation and Tikanga) supported by frameworks, processes, and training ensure that our people use personal information ethically and in accordance with all privacy laws.
Privacy Policy	Explains how we collect, use and share personal information and how we keep it safe.
Code of Ethics	Provides a framework for working at Spark and its related companies in a way that is consistent with Spark's values and standards, alongside guidance on decision-making and some known risk areas.
Whistleblowing Policy	Explains how Spark people (including employees and contractors) can raise concerns about serious wrongdoing or misconduct at Spark, including via the Honesty Box or escalation to senior leaders (including Spark's CEO). It supports protection from retaliation for those who report a concern, and ensures reports are assessed and investigated appropriately, with confidentiality maintained where practicable.
Artificial Intelligence Principles	Outlines Spark's responsible and ethical approach to the design and operation of AI technologies.

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2. Training and communications

Training and communications are critical to our ability to prevent and manage human rights and modern slavery risks across our business. Across many of our broader human rights topics, including privacy and security, and diversity and inclusion, all employees are required to complete regular training.

We have also developed focused supplier risk awareness training to increase understanding and the ability of our teams to identify risk in our supply chain. This includes:

- An introduction to modern slavery, including high-risk geographies and procurement categories
- An overview of human rights and Spark's Human Rights Policy
- The requirements of Spark's Supplier Code of Conduct
- An overview of JAC and our supplier audit processes
- Details of our supplier risk assessment process and priority suppliers identified

In FY26, sessions were delivered to teams most likely to encounter these issues including Spark's Procurement and Partnerships team (20 people), and Entelar Group procurement teams (18 people, with a further 17 people attending a follow up session in July 2026).



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3. Due diligence

The United Nations Guiding Principles (UNGPs) on Business and Human Rights state that businesses have a responsibility to respect human rights and must prevent, mitigate, and where appropriate, remedy human rights abuses that they cause or contribute to, while seeking to prevent or mitigate adverse impacts related to their operations, products or services, even if these have been carried out by suppliers or business partners.

When we developed our Human Rights Policy in 2022, we conducted a due diligence process to identify areas of potential impact across our value chain. This included internal and external stakeholder engagement, supported by a third-party review of our approach compared to our global peers. We identified a number of human rights topics that were relevant to our broader value chain, many of which were already addressed through existing policies and processes.

We continue to identify human rights and modern slavery risk through ongoing human rights due diligence processes. The following diverse sources help us identify and prioritise our response to the most salient human rights risks, including emerging risks:

- An annual review of our material sustainability topics, which includes engagement with stakeholders and peer review, to ensure we have identified emerging human rights topics
- Our ongoing process of principal risk assessment, which is undertaken by our Audit and Risk team and reported directly to the Board
- Our annual process of supply chain risk identification, including supplier self-assessments and ongoing supplier screening
- Independent supplier audits conducted through our membership of the JAC
- Data governance to identify and manage emerging issues in the application of data and new technologies, including Artificial Intelligence (AI).

All Spark employees and some of our indirect workforce have access to Spark's whistleblowing processes. Our systems enable the reporting of issues to subject matter specialists, as well as directly to our legal team via the Honesty Box using a confidential form, or to the CEO. This enables reporting of new and emerging human rights issues for consideration.

The types of issues raised by submitters during FY26 included employee behavioural matters, workplace environments, application of employee-related processes and the safeguarding of sensitive information. These were considered and addressed appropriately with the support of Spark's People and Culture and Privacy and Compliance teams.

We regularly remind Spark people of the reporting options available to them and are pleased to see the growing diversity of matters that submitters are comfortable raising. We continue to raise visibility and understanding of the importance and value of our whistleblowing processes.



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Our potential human rights impacts

Our human rights due diligence has identified a number of potential impacts across our value chain. For modern slavery risks, we have also considered how we may be linked to potential impacts:

- **Cause**: A business may be a cause of modern slavery where their actions or omissions directly result in modern slavery occurring
- **Contribute**: A business may contribute to modern slavery where its actions or omissions significantly facilitate or incentivise modern slavery
- **Directly linked**: A business may be directly linked to modern slavery where its products, services, or operations are directly linked to harm carried out by a third party, such as a supplier

Upstream impacts

in our supply chain
Pages 14 – 20

Potential modern slavery impacts

- Risk that Spark may be **directly linked** to modern slavery practices in its global supply chain. Particular risk in the manufacture of consumer and network telecommunications and Information and Communications Technology (ICT) equipment
- Risk that Spark may **contribute** to modern slavery practices by not implementing adequate processes to identify and address issues in its global supply chain

Other potential human rights impacts

- Risk that Spark may be **directly linked** to negative impacts of raw materials sourcing used in electronic equipment manufacturing e.g. conflict minerals
- Risk of customer data privacy breach by one of our suppliers or partners

Direct impacts

in our operations
Pages 21 – 22

Potential modern slavery impacts

- Risk that Spark may **cause** modern slavery practices in our direct workforce (low risk) or through its indirect/contracted workforce. Particular risk in overseas contracted workforce in India and the Philippines (e.g. call centres, ICT support/development services), and in potentially vulnerable New Zealand contract services (e.g. cleaning contractors)
- Risk that Spark may **contribute** to modern slavery practices by not implementing adequate processes to identify and address issues in its contract workforce

Other potential human rights impacts

- Importance of diversity and inclusion across our business, including commitments to improve gender and ethnic representation across our business and reducing our gender and pay gaps
- Protection of personal data, e.g. employee data

Downstream impacts

of our products and services
Pages 23 – 24

Potential modern slavery impacts

- We have not identified any downstream modern slavery impacts at this time

Other potential human rights impacts

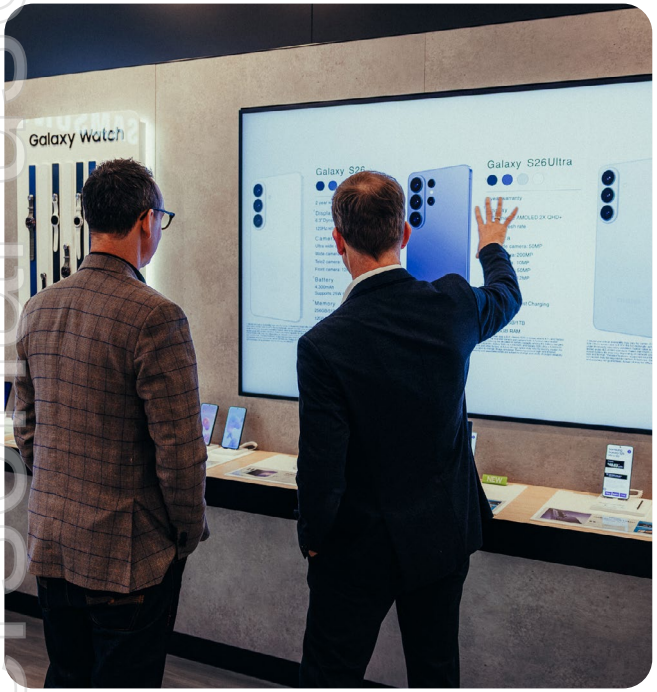
- Potential impacts on our customers' human rights to privacy, including security protection
- Potential impacts of our products and services, including emerging technologies such as AI
- Importance of digital equity and inclusion, which is an enabler of many other human rights including access to education, healthcare, employment, and participation in society

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4. Addressing potential impacts

Our approach to addressing potential impacts

When we identify human rights or modern slavery risks or issues within our business or supply chain, our overriding objective is to work alongside our suppliers, partners, and customers to address and remediate these issues. In this way we can contribute to positive change within our value chain, rather than simply removing ourselves from the situation.



Upstream impacts in our supply chain (key modern slavery actions)

We rely on a combination of local and global suppliers and partners to operate our business. We have over 2,000 suppliers, ranging from the largest global technology businesses to small local operators. Each year we spend over $2 billion to support our business and meet our customers' needs. Our global supply chain is complex, with many indirect suppliers providing the source materials and components required to deliver consumer electronics and network infrastructure. We set clear expectations for our suppliers related to social and environmental performance through our Supplier Code of Conduct.

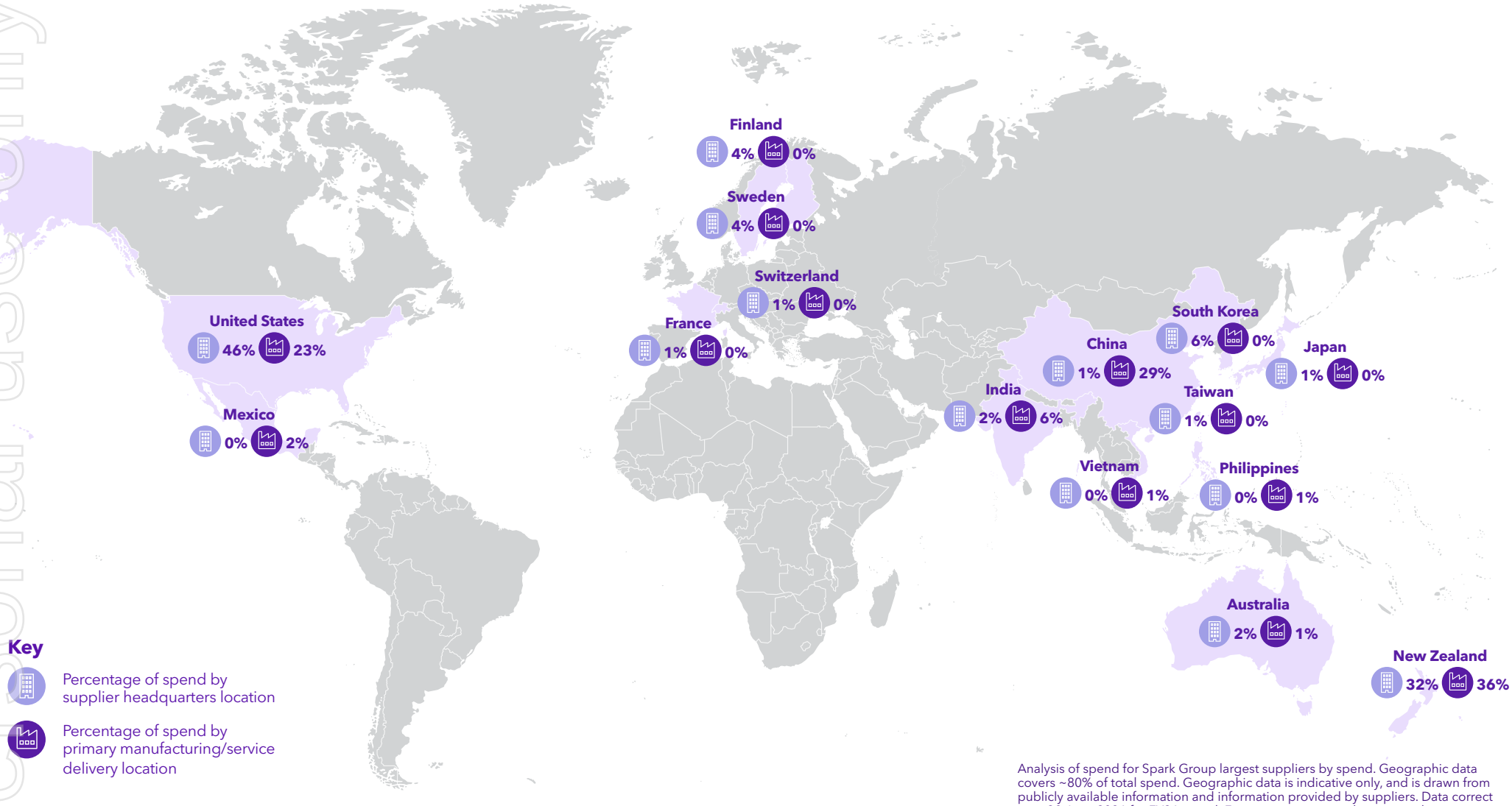
The majority of Spark's supply chain spend is across three categories, focused on technology and telecommunications equipment and services to support our business and our customers. The remainder is spent on a range of services, such as marketing, corporate services, content rights, electricity, travel, freight and courier, office supplies, and leasing. Of our total spend, around 90% is with our top 100 suppliers.

Spend across our three biggest categories

Procurement category	Percentage of supply chain spend	Primary country of spend	Potential modern slavery and/or human rights impacts
Electronic equipment, mobiles, accessories, network equipment	34%	China	Modern slavery risk in manufacturing sites for telecommunications/ICT equipment
Telecommunications services: interconnect, broadband	22%	New Zealand	Modern slavery risk in sub-contracted labour for telecommunications infrastructure build/rollout
Software and IT services	18%	United States (US)	Modern slavery risk in outsourced labour for IT services

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Mapping our global supply chain



Analysis of spend for Spark Group largest suppliers by spend. Geographic data covers ~80% of total spend. Geographic data is indicative only, and is drawn from publicly available information and information provided by suppliers. Data correct as at 30 June 2026 for FY26 spend. Figures may not sum due to rounding.

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Spark's Supplier Code of Conduct

Our Supplier Code of Conduct sets out the minimum standards we expect from all our suppliers across labour and human rights, health and safety, environmental sustainability, and ethical business practices. All new suppliers are requested to sign up to the Code, or demonstrate commitment to an equivalent code of practice, as part of their onboarding process. Also included in the Code is a requirement for suppliers to consider risks in their own supply chains. This includes processes for managing the responsible sourcing of materials used in electronic manufacturing, for example tantalum and cobalt. The Code is available here.

We reviewed the Code in FY25, validating the requirements, and adding in additional requirements aligned to the Spark Privacy Policy and AI Principles. The Code will continue to evolve, particularly as we implement more formalised supplier due diligence systems aligning our Environmental, Social, and Governance (ESG), privacy, health and safety and security supplier qualification processes.

Grievance and reporting mechanisms are an important requirement of the Code. We recognise it is impractical for our 2,000 suppliers to implement customer-specific grievance mechanisms within their supply chains. Instead, we set out clear expectations in our Supplier Code of Conduct, which requires our suppliers to:

- "Allow all workers to communicate openly with management regarding working conditions and human rights without fear of reprisal, intimidation or harassment in accordance with local laws and in any event in a manner that respects basic rights of open communication, direct engagement and humane and equitable treatment"; and
- "Implement and maintain policies and processes to maintain whistle-blower confidentiality and protect whistle-blowers from retaliation and victimisation".

For priority suppliers we gather information on our suppliers' policies and processes to ensure compliance with our requirements through our annual supplier ESG self-assessment. For suppliers selected for JAC audit, the presence of employee reporting mechanisms and policies for responsible minerals sourcing is an important part of the audit process. See the supplier risk assessment and supplier audit programme sections below for more information.

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Supplier risk assessment

Our supplier risk assessment process analyses and prioritises our current suppliers for further assessment, including our supplier ESG self-assessment questionnaires and JAC audits. This process considers a number of criteria:

- Top suppliers by spend and strategic suppliers – with data derived from spend data and key partnerships
- Suppliers linked to high-risk geographies
- Suppliers in high-risk sectors, such as electronic equipment manufacturing, clothing/merchandising, and solar equipment manufacturing
- JAC database analysis – prioritising suppliers with a pattern of lower audit scores for tier 1/2/3 supplier sites

Our FY26 analysis identified 52 priority suppliers for further assessment, many of which have carried over from previous years. We request these suppliers complete our annual Supplier ESG Survey, which is a self-assessment aligned to the requirements of our Supplier Code of Conduct. The survey also gathers important information to support further risk analysis, including:

- Locations involved in the provision of goods and services to Spark. Gathering data on supplier factory or support centre locations provides useful information to identify high-risk geographies upstream in our supply chain
- Supplier processes to identify and address instances of modern slavery or human rights impacts across their supply chains or direct operations. This includes our suppliers' own modern slavery reporting
- Disclosure of instances of modern slavery or other human rights impacts, identified by the supplier. This information aligns to the most common areas of non-compliance we have found in third-party JAC audits
- Information on suppliers' policies on conflict minerals in their supply chains

For FY26 our focus has been on engaging suppliers that have not previously completed the ESG self-assessment, alongside requesting those suppliers that have previously participated to review and re-validate their responses. Since beginning the supplier self-assessment process in FY24, we have had 40 suppliers complete the process, including four additional suppliers completing the process at the end of FY26.

None of the self-assessments to date have declared any known instances of modern slavery in our suppliers' direct operations. Some of our large technology providers with mature supplier audit processes have disclosed findings from their own supplier audit programmes. These include suppliers whose supply chains we have included in our JAC audit programme. We are comfortable that these suppliers have processes in place to identify and address non-compliance and are transparent about the findings of their supplier audits, with many of them publishing their own annual modern slavery and/or human rights performance statements.

In FY24 the Spark Risk, Internal Audit and Fraud team reviewed Spark's supplier due diligence processes, evaluating the design and effectiveness of due diligence controls and how risks are managed for new and existing suppliers. The review identified a number of opportunities to improve our processes, including a recommendation for the implementation of a formal workflow system to improve the consistency and controls for supplier assessments, and enable a structured approach for adapting to new areas of supplier risk. Progress has been made on these recommendations, with a new procurement management tool in the process of being implemented to systematise workflows for sourcing, new supplier onboarding, supplier evaluation, contract management, and ongoing supplier assessment. In the interim, we have implemented a manual process to ensure sustainability and modern slavery risk is assessed when onboarding new suppliers.

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Supplier audit programme

JAC is an international association of telecommunications operators. The core purpose is to enable members to work together to assess, verify, and improve the labour standards, health and safety, environmental, ethics, and management systems of the industry's supply chains, as well as identification of supplier sites to audit. JAC has been running for over a decade and has been gradually growing as new operators join the initiative. As of June 2026, the association included 32 telecommunications operators.

As a JAC member, Spark is required to audit a minimum of five supplier locations each calendar year. The suppliers and locations are mutually agreed and allocated across the members. Findings and corrective actions are also shared among all JAC members, which provides visibility of risk across a larger number of suppliers than Spark would be able to audit individually and a platform for collective industry engagement to improve performance.

In the 2025 calendar year, JAC members conducted a total of 127 CSR audits, accepted 24 materially equivalent audits carried out under the Responsible Business Alliance process called Validated Assessment Program (VAP), and performed 15 Mobile Workers' Surveys (MWS), which asks workers in supplier facilities to use their mobile devices to provide responses to confidential surveys. Across these audits, 794 corrective actions were raised. The top audit findings were related to health and safety, working hours, environment, and business ethics. As we share many common global suppliers with our industry peers, many of the sites audited are relevant to our own supply chain. Details shared among JAC members are covered by a Non-disclosure Agreement, which means we cannot share details of JAC audits conducted by other members publicly, but we can use this information in our own internal risk assessment, to inform our engagement with suppliers, and to prioritise and select sites for auditing.

Within Spark, our JAC audit programme is led by the Audit and Risk team. To undertake the assessments, we have engaged a third-party auditor experienced in delivering site assessments against the JAC methodology. Following an audit, a Corrective Action Plan is agreed with the site that was audited to address any issues identified. Progress against agreed actions is recorded in the shared JAC database and reported directly to the Spark Board.

In FY26, we conducted four JAC audits, and for the final site identified for audit we were able to accept a recently conducted Responsible Business Alliance VAP audit as an equivalent third-party assessment covering the same topics. Two of our FY26 audits were conducted at partner sites in India, where employees are providing outsource services under our new technology delivery model. Spark's Audit and Risk Lead was able to follow up these third-party audits with an in-person meeting at the sites, as part of our ongoing engagement with our strategic partners. The remaining audits focused on manufacturing sites in China, including one tier two supplier and our first tier three audit of a manufacturing site supplying an electronics brand we source via a distributor.

We continue to work with suppliers to close out findings from audits completed. Many of the findings can be addressed quickly, with minor findings corrected during the audit visits, or shortly afterwards. We have found that working hours findings are often the most complex to address, and require more time for corrective actions to be implemented and verified. These corrective actions need to be considered in the local context, including the impact on local employees for whom a reduction in hours could correspond to a reduction in income.

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Summary of FY26 JAC audit findings (for FY26 audits)

Category	Number of minor findings	Number of major findings	Number of highest priority findings	Notes
Child labour	0	0	0	No instances of child labour found
Forced labour	0	2	0	Findings related to high proportion of workers from labour dispatch companies, and contracts with labour dispatch companies without compliant contract terms around leave, hours and notice periods
Health and safety	0	7	1	Majority of health and safety findings were corrected immediately or shortly after audit completion. The priority finding related to lack of fire safety report for ancillary warehouse buildings (the main factory site was compliant). Other findings were related to signage, labelling of chemicals, access to fire exits, and availability of appropriate Personal Protective Equipment (PPE)
Freedom of association	0	0	0	No issues found
Discrimination	0	0	0	No issues found
Disciplinary practices	0	1	0	Finding related to communication of disciplinary policies and procedures to employees
Working hours	1	2	5	Findings related to provision of leave entitlements to all employees and excessive working hours – see commentary below
Wages and compensation	2	3	1	Findings related to indirect employees via contractors or labour dispatch companies. Included lack of required social insurance and annual leave
Environment	1	0	0	One minor issue raised relating to labelling of hazardous waste
Business ethics	0	0	0	No issues found
Total findings	4	15	7	
Total findings closed	2	9	6	We continue to work with suppliers to close remaining open findings

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We found issues related to working hours at the two manufacturing sites audited in FY26. The auditors' sample worker records to examine the number of overtime hours worked, and patterns around rest days and annual leave. Findings are triggered if workers do not have at least one day off per seven days, and if working hours exceed 60 hours a week. Both of the audited sites were not directly operated by Spark suppliers. At sub-tier sites, our approach is to engage with our direct supplier as part of the audit process, and work in partnership with them to ensure corrective actions are implemented to address issues identified at the sites. This includes direct engagement with the Spark Risk, Internal Audit and Fraud Lead, Spark Sustainability Lead, and the supplier relationship lead within Spark.

In line with our overarching approach to modern slavery and human rights, our aim is to work alongside our suppliers to remediate issues identified rather than simply removing ourselves from the situation. To date we have found our suppliers are responsive to corrective actions. If we find a supplier unable or unwilling to address serious non-compliance in the future this would cause us to review our commercial relationship with them.

As with all JAC audits, assessment findings and corrective actions are uploaded to the JAC database and are shared with all JAC members. To close an audit finding evidence of corrective actions taken must be provided and uploaded. Open corrective actions are tracked and reported. Within Spark, we also report the results of JAC audits to our Leadership Team and Board on a regular basis.



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Direct impacts in our operations (key modern slavery actions)

Our direct workforce

To clearly communicate Spark's commitment to upholding fair and ethical labour practices across our operations with stakeholders outside our business, we introduced a new Labour Practices Policy in FY26. This Policy summarises our existing positions across a number of internal and external governance documents, including our Code of Ethics, Human Rights Policy, Bullying, Harassment, and Discrimination Policy, and Diversity and Inclusion Policy. See the Governance section of our website.

Our people have a broad range of skillsets, ranging from customer service to engineering and professional services. Spark meets all requirements of New Zealand employment law for our New Zealand-based direct workforce, and in many cases goes beyond statutory requirements. Our Hiring People Policy ensures that 'right to work' checks are undertaken, and work cannot commence without valid documentation.

Spark remunerates our people with salaries in line with the market, alongside consideration of performance, scope, skills, and experience, to recruit and retain the best talent. We have an annual salary review process for all eligible permanent employees. In addition, in response to the current economic conditions in New Zealand, we provided a targeted base salary adjustment effective 1 July 2026 for permanent team members earning below the Spark median salary for a full-time role.

Spark has a diverse workforce and a diversity, equity, and inclusion programme that is focused on ensuring our people feel valued, respected, and confident to bring their whole selves to work. We use regular culture surveys with our people, which enables individuals to share their views confidentially and supports leaders to create healthy, safe, and engaging work environments for, and with, their team members.

Our people undertake compliance training on a range of topics including, but not limited to, our Code of Ethics, health and safety, security and privacy, sustainability, and our policies around discrimination, bullying, and harassment, and diversity and inclusion. In addition, our leaders receive training through our People and Culture team, as well as leadership development programmes that ensure they understand the standards and expectations in place for the protection of our people.

Spark occasionally employs interns across our business in a range of areas to provide meaningful work experience. We have a general policy of paying our interns at least the minimum wage, rather than requiring them to give their time free. From time to time, we have people that volunteer their time to gain work experience or knowledge in a particular area. These are short-term arrangements, and we will continue to monitor this practice to ensure it is always beneficial for the volunteer.

More information on Spark's approach is available in our FY26 Annual Report in the 'Our People' and 'Remuneration Report' sections.

Our indirect workforce

We have an indirect workforce of around 3,600 people, located in New Zealand and offshore. We recognise our indirect workforce could potentially face higher risks of modern slavery than those employed directly by Spark, and we have checks and balances in place to mitigate these risks.

Our indirect workforce in New Zealand is a diverse mix of agency contractors, consultancy firms, independent contractors, partners, suppliers (including people such as cleaners and security staff working in our buildings) and people employed by our Spark Business Hubs.

Our New Zealand-based indirect employees are all protected by New Zealand employment law, and employed on contractual arrangements depending on the type of work they do and where they have been engaged. Our independent contractors and agency staff who contract directly to Spark are all engaged in line with our employment hiring process, including evidence of right to work and other relevant background checks. Our Business Hubs operate under a licencing model, with employment terms determined by each of the owner operators independently of Spark.

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In FY25, we completed JAC audits for two New Zealand-based suppliers providing cleaning and security services. These are sectors we have identified as higher risk for potential modern slavery impacts in our New Zealand indirect workforce.

Spark has established several global partnerships across our technology delivery model resulting in the growth of our indirect workforce in New Zealand and overseas. This includes contract staff at three different businesses headquartered in India. The number of contractors in partner businesses who are working with Spark fluctuates depending on the work required. In the past year we completed two JAC audits at partner sites in India which showed good employment practices in place. See page 18 for more information.

Some of our offshore teams are based in the Philippines, where we contract a partner to run customer care centres to serve our customer base in New Zealand. In FY24, we completed two JAC audits of our partner's call centre sites in the Philippines. Both site audits found good practices around employee wellbeing and compliance with employment regulations.



Our retail network

We operate 58 retail stores and 24 Business Hubs located throughout New Zealand.

We also have dealership arrangements with major retail chains across New Zealand to sell Spark products and services. Spark directly operates all its retail stores, and all the people working in Spark stores have employment agreements directly with Spark.

Our Business Hubs are operated by third-party licensees and their employees are employed directly by those third parties. Within the licence terms we require that the terms of employment between the licensee and the staff member must comply with all statutory and legal requirements. Under the licence agreement, licensees must offer employment on terms substantially consistent with a template agreement provided by Spark (being a fit-for-purpose agreement that meets minimum legal requirements).

Demographics of our workforce

Detailed reporting on our direct workforce is available in our FY26 Annual Report (see pages 42–43). We also publish an ESG data pack which includes detailed reporting of employee metrics. This is on the Governance page of our website.

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Downstream impacts of our products and services (other human rights impacts)

We recognise that human rights risks exist beyond our supply chain and direct operations, and could include the downstream impacts of our operations and the way our customers utilise the technology services we provide. This includes risks of potential impacts to the human right to privacy and to live free from discrimination. Examples of downstream activities that carry potential human rights risk include enabling remote monitoring of people, the use of AI and biometrics. Digital equity is also an important human rights topic, as access to the digital world is an important enabler of other human rights. Our human rights due diligence process identifies potential risks from our customers' use of our products and services.

As a New Zealand-based business, most of our customers operate exclusively within New Zealand where strong human rights protections exist. Although the majority of Spark's customers pose a low risk, there is the potential for human rights impact for some high-risk sectors, high-risk geographies, high-risk product categories, or for customers working with vulnerable groups. The majority of risks are related to specific services and technologies. We address these potential impacts through our approach to privacy and emerging technologies.

Privacy

Spark puts cyber security, customer safety, and privacy at the forefront of everything we do. We have processes in place to ensure that appropriate ownership, oversight, and ongoing risk management is applied. Our processes are assured by our risk and internal audit functions. Our approach to privacy is based on our Privacy Values which include protection, fairness, transparency and autonomy, innovation, empathy and Tikanga.

We are committed to keeping customers' personal information safe and managing it in ways that align with their expectations, Spark's Artificial Intelligence Principles, Spark's Privacy Values, and the law (including the Privacy Act 2020, the Telecommunications Information Privacy Code 2020 and the Biometrics Processing Privacy Code 2025).

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

We report our performance on these topics in our Annual Report, aligned to GRI (Global Reporting Initiative) standards. In FY26, our people reported 167 data breaches for investigation. When appropriate, Spark reports these breaches to the Office of the Privacy Commissioner (OPC). Most notifiable breaches involved fraudsters using personal information obtained from non-Spark sources, such as compromised online accounts or phishing (where fraudsters trick individuals into sharing their personal information). Spark also received 10 substantiated privacy complaints from customers. There were no substantiated complaints from the OPC.

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Other human rights risks: downstream impacts of our products and service



Impacts of emerging technologies – data ethics and governance

Spark's use of AI is guided by our Artificial Intelligence Principles, which focus on a responsible and ethical approach to the design and operation of AI technologies within our business. Our principles, which are regularly reviewed, are focused around seven key areas: human-centred; ethical design; diversity, inclusivity, and bias; safety and reliability; privacy; informed human decision-making; and explicability and transparency.

AI development and deployment is governed by Spark's Information Security Risk Management Committee (ISRMC), as part of its broader role to provide insight and decision-making authority for information security, data governance and privacy, ensuring we are using data and data applications, including AI, ethically, legally, safely, and in line with stakeholder expectations. The Chief AI and Technology Officer and Chief Operating Officer oversee this committee and report to the Audit and Risk Management Committee (ARMC).

Spark's AI tools and use-cases go through AI, security, and privacy risk assessment processes through which ethical and human-impact considerations are addressed.

Digital equity

Digital equity starts with having access to devices and a connection to the internet, but this is just the beginning. Beyond access, to close the digital divide, our communities need the skills to use technology, trust in the digital world, and the motivation to participate. Digital equity is an enabler of many other human rights including access to education, healthcare, employment, and participation in society.

Through Spark Foundation, we invest in community partnerships that improve digital access, digital skills and pathways, and digital wellbeing. We also address cost barriers to digital equity through our targeted, low-cost, not-for-profit broadband service Skinny Jump, and consider digital inclusion and accessibility in the design of our products and services.

More information about Spark's approach to digital equity is available on our website

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5. Reviewing effectiveness and reporting

To review our progress, we have detailed below how we assess the effectiveness of our actions against the stated focus areas and KPIs of our work programme. This Modern Slavery and Human Rights Statement provides a detailed summary of our progress.

We review progress against our Human Rights and Modern Slavery Programme every quarter through the Human Rights and Supply Chain Steering Committee, and report to the Leadership Team and Board quarterly. We report publicly on our progress annually through this Statement and our broader integrated reporting.

Focus areas	Description	KPIs	How we assess effectiveness	Key actions
Policies and governance	Robust standards that set clear expectations for our people, suppliers, and stakeholders, with effective governance processes in place to oversee the operationalisation of these standards.	• Our policies are fit-for-purpose • Our Human Rights and Modern Slavery Framework is aligned to best practice and updated as needed to respond to the evolving risk environment • We have a clear work programme to drive continual improvement	• Regular review of policies by relevant subject matter experts • Feedback from internal and external stakeholders • Feedback from the Leadership Team and Board during progress updates • Performance in external sustainability benchmarks • Annual approval of the work programme by the Human Rights and Supply Chain Steering Committee • Completion of key action items identified by the work programme by FY close	• Maintained top-quartile global benchmark ratings in S&P Corporate Sustainability Assessment and (biennial) World Benchmarking Alliance Digital Inclusion Benchmark • Published new Labour Practices Policy summarising existing positions across a number of internal and external governance documents (see page 21)
Training and communications	Regular, effective communications to our people, suppliers, and other relevant stakeholders to ensure our policies and expectations are well understood.	• Our company-wide communications and training equip our people to understand relevant human rights risks, including how to raise concerns • Our training for supply chain and customer-facing teams equips the people most likely to identify human rights and modern slavery risks across our value chain with effective management approaches	• Regular all-company communications that raise awareness of relevant policies, training, and Spark's Honesty Box (whistleblower process) • Tracking completion rates for our supply chain and high-risk customer team training and monitoring feedback from participants	• Delivered ongoing human rights and modern slavery awareness training sessions to key teams across the business (see page 11) • Continued ongoing programme of employee online training in Code of Ethics, Privacy and AI policies

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5. Reviewing effectiveness and reporting (continued)

Focus areas	Description	KPIs	How we assess effectiveness	Key actions
Due diligence	Effective risk assessment and due diligence processes that enable the accurate and timely identification of potential human rights and modern slavery risks across our value chain, including trusted and accessible reporting mechanisms for employees to raise concerns.	• Our risk assessment processes accurately identify our human rights and modern slavery risks • Our due diligence processes enable us to identify and manage modern slavery risks relating to suppliers and other third parties • Our people have access to our Honesty Box processes to raise concerns if they need to	• Periodic audits of supply chain due diligence processes by the Risk and Audit team • Conducting annual human rights due diligence, alongside our materiality assessment • Contributing to Spark's annual principal risk assessment, conducted by the Audit and Risk team • Ensuring our people have access to whistleblower tools, including our Honesty Box processes	• Ongoing Principal Risk Assessment includes consideration of human rights and modern slavery risks • Refreshed annual sustainability materiality process includes consideration of emerging social/human rights topics • Ongoing screening of new suppliers and partners identified as high-risk • Ongoing operation of whistleblowing mechanisms
Addressing potential impacts	Engaging proactively across our value chain to address potential impacts, including third-party JAC audits of high-risk suppliers to identify and address upstream issues in our supply chain.	• Our suppliers have effective grievance mechanisms in place for their own workforces • Any modern slavery-related complaints received are appropriately identified and investigated	• Conducting an annual review to identify high risk suppliers and identify candidates for supplier audits • Issuing an annual supplier self-assessment questionnaire to priority suppliers to identify risks and track compliance with our Supplier Code of Conduct and tracking completion rates • Conducting a minimum of five supplier audits annually via the Joint Alliance for CSR (JAC) and ensuring corrective actions are closed • Tracking supplier compliance with grievance mechanism availability through our supplier assessment and new supplier onboarding • Implementing processes to address downstream impacts of products and services	• Continued annual supplier risk assessment to prioritise suppliers for further engagement (see page 17) • Ongoing annual Supplier ESG Survey delivering supplier self-assessment against key risks (see page 17) • Continued programme of JAC third-party audits (see page 20 for details of audit programme and findings)
Reviewing effectiveness and reporting	We review our progress regularly through our governance processes and provide transparent reporting annually to our stakeholders.	• Our governance process is operating as intended • Our reporting continues to improve year-on-year	• Reporting to Human Rights and Supply Chain Steering Committee, Leadership Team, and Board is consistent with stated governance processes • Feedback from external stakeholders • Performance in external sustainability benchmarks • Tracking issues identified and sharing a summary of the resolution process in our annual Modern Slavery Statement	• Ongoing oversight provided by quarterly Human Rights and Supply Chain Steering Committee meetings • Maintained top-quartile global benchmark ratings in S&P Corporate Sustainability Assessment and (biennial) World Benchmarking Alliance Digital Inclusion Benchmark

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Appendix

Spark Group structure and subsidiaries

Information on significant subsidiaries and controlled entities in the Spark Group as at 30 June 2026 (including ownership percentages and principal activity information) is available in the Spark Annual Report on page 120.

Spark New Zealand Trading Limited is the main trading entity within the Spark Group and is the parent company of many of Spark's operating subsidiaries.

Spark Finance Limited is the finance company for the Spark Group and raises debt funding in New Zealand and internationally. The majority of these funds are then advanced to other members of the Spark Group to assist in funding the Group's operations. Spark Finance has debt securities listed on the NZDX as SPF.

Subsidiary company	Principal activity
Adroit Holdings Limited	Environmental IoT solutions
Adroit IoT Limited	Environmental IoT solutions
Adroit Research Limited	Environmental IoT solutions
Entelar Group Limited	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services
Gen-i Australia Pty Limited	Provides international, wholesale and outsourced telecommunications services
MATTR Limited	Software company focused on decentralised identity and verifiable data
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data
Qrious Limited	Data analytics business
Spark Finance Limited	Group finance company
Spark New Zealand Cables Limited	Investment company
Spark New Zealand Trading Limited	Telecommunications and digital services company
Spark Trustee Limited	Trustee company

Subsidiary company	Principal activity
TCNZ Australia Investments Pty Limited	Australian operations
TCNZ (Bermuda) Limited	Holding company
TCNZ Financial Services Limited	Investment company
TCNZ (United Kingdom) Securities Limited	Holding/investment company
Teleco Insurance Limited	Group insurance company
Teleco Insurance (NZ) Limited	Former mobile phone insurance company
Telecom Capacity Limited	Holding company
Telecom Enterprises Limited	Investment company
Telecom New Zealand USA Limited	Provides international wholesale telecommunications services
Telecom Pacific Limited	Holding company
Telecom Southern Cross Limited	Holding company
Telecom Wellington Investments Limited	Investment company

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Spark New Zealand Limited
Private Bag 92028
Auckland 1142
New Zealand

spark.co.nz

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Climate-related Disclosures Report FY26

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Introduction

Welcome to Spark's FY26 Climate-related Disclosures report. This report provides all our climate-related disclosures in one document, including our Greenhouse Gas (GHG) Inventory Report.

The effects of climate change are increasingly part of the broader operating environment for New Zealand businesses, communities, and the wider economy, including Spark. **Severe weather events** are already testing the infrastructure, and systems communities rely on, including the power and transport infrastructure that supports telecommunications sites. At the same time, New Zealand's dependence on digital connectivity, data centres, and technologies such as Artificial Intelligence (AI) continues to grow, and customer expectations of continuous service are increasing. This reinforces the importance of Spark's role in providing **resilient digital infrastructure**, and of embedding climate-related risks into our strategy, network planning, and operational resilience.

This changing context also creates an **opportunity** for Spark to play a role in **helping customers respond** to climate change. Digital technology can support emissions reduction, improve productivity, and strengthen adaptation to a warming and more volatile climate. Our sector has an important **contribution to** make to New Zealand's transition to a **low-emissions**, **climate-resilient future**. We are also focused on **reducing our own footprint**, and this report includes data on our progress against our science-based emissions reduction target.

A successful climate transition must also consider **people and communities**. As digital technology becomes more central to resilience, adaptation, and participation in the future economy, **digital equity** is essential to **a just transition**. Digital skills will be vital for the workforce of the future, and digital access will continue to shape social connection, inclusion, and participation in a more digital and climate-impacted world.

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Compliance with Climate Standards

This Climate-related Disclosures report complies with the Aotearoa New Zealand Climate Standards (NZ CS 1, NZ CS 2 and NZ CS 3) issued by the External Reporting Board (XRB). Climate Standard NZ CS 2 provides a number of adoption provisions, that climate reporting entities may elect to use. Spark New Zealand has elected to apply the following adoption provision for our FY26 Climate-related Disclosures Report (our third reporting period):

- **Adoption provision 2** (related to anticipated financial impacts).

Spark's FY26 Climate-related Disclosures report is a stand-alone report. Where documents are referred to or web links are provided in this report, those documents and links are provided by way of additional context only and are not incorporating disclosures by cross-reference, unless stated otherwise.

Reporting entity

Spark New Zealand Limited is a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013. These climate statements relate to the Spark Group, which consists of Spark New Zealand Limited and its subsidiaries (referred to throughout this report as "Spark", "we" or "our"). The scope of the reporting entity aligns with that used for Spark New Zealand Limited's FY26 group financial statements. All figures are expressed in New Zealand dollars. While Spark Finance Limited (a subsidiary of Spark New Zealand Limited) also meets the definition of a climate-reporting entity under Part 7A of the Financial Markets Conduct Act 2013, the Financial Markets Conduct (Climate Statements – Spark Finance Limited) Exemption Notice 2024 (available here) exempts it from the requirement to prepare climate statements.

This report is dated 20 August 2026 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair; and Lindsay Wright, Chair Audit and Risk Management Committee.



Justine Smyth CNZM
Chair



Lindsay Wright
Chair Audit and Risk Management Committee

Important notice: challenges and uncertainties

Our climate-related disclosures and the conclusions we make reflect our current understanding as at August 2026. This includes current and forward-looking information regarding climate change, its impact on Spark, and our response to it. Climate change, and the impacts it will have on individual businesses, is subject to significant uncertainty. The information in this report is based on estimates, judgements, assumptions, and incomplete data that we consider to be appropriate under current circumstances. As such, we caution reliance on information that is inherently subject to significant uncertainty and data limitations.

This report includes forward-looking statements, including in relation to climate-related scenarios, targets, risks and opportunities, anticipated impacts, and transition plans. Such forward-looking statements are based on the beliefs of, and assumptions made by, our Management, along with information currently available at the time such statements were made.

These forward-looking statements are not guarantees or predictions of future performance. Any statements in these climate statements that are not historical facts are forward looking statements.

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Climate governance

The role of Spark's Board and Management team in assessing and managing climate-related risks and opportunities

Governance body oversight of climate-related risks and opportunities

The Spark Board is the governance body responsible for oversight of climate-related risks and opportunities. The Board is informed and engaged on climate change through a number of regular processes:

- Oversight of Spark's overarching enterprise risk management system via the Audit and Risk Management Committee (ARMC) – a subcommittee of the Spark Board which incorporates material climate-related risks (see Climate Risk Management section, page 30)
- Approval of, and engagement in, Spark's climate scenario risk analysis processes, and annual climate risk reporting (via the ARMC)
- Quarterly sustainability updates from the Chief Marketing and Corporate Affairs Officer, and non-cyclical Board papers that include climate-related risks or opportunities and performance against climate targets

The ARMC assists the Board in relation to the oversight of, and monitoring compliance with, the Risk Management Framework. It meets at least four times each year and receives twice-yearly updates on all principal business risks, including the key risk 'Ensuring a Better Network and reliable operation of Spark's telco network, systems and infrastructure'. This includes physical adaptation risk to our networks, and risk in our network supply chain (see detailed climate risk tables on page 19 onwards). The papers and minutes from ARMC meetings are available to the Board and all directors may attend meetings of the ARMC.

The ARMC is also responsible for Spark's climate reporting in compliance with the Aotearoa New Zealand Climate Standards, with this Climate-related Disclosures report published alongside our annual financial disclosures. This includes review and approval of the climate-related risks and opportunities identified, which are published alongside our emissions metrics and performance against our climate targets. The Board is engaged in climate scenario analysis processes, to pressure test the climate scenario narratives and validate the identified effects on Spark, and to review climate scenario analysis against our evolving strategic context (see page 13 for more information on our climate scenario analysis). The Board also approves this Climate-related Disclosures report.

The Board is provided a sustainability update on a quarterly basis, including as part of annual integrated reporting for year-end. In FY26, these updates covered a range of topics, including performance against key

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performance indicators (KPIs), which include tracking emissions, energy use and emissions reduction actions, discussion and review of Spark's climate scenarios, and also on broader topics such as digital equity and modern slavery. This, together with additional papers (on an ad-hoc basis) that contain climate-related content, mean that climate-related risks and opportunities are discussed regularly at Spark Board meetings.

As the governance body for significant sustainability and climate-related decisions, the Board approves Spark's Sustainability Framework, policies, and targets (such as Spark's science-based emissions reduction target, and approval of key initiatives, such as our renewable energy partnership with Genesis Energy, see page 11).

Our directors are committed to continuously educate themselves to ensure that they have the appropriate expertise and can effectively perform their duties. Sustainability, together with risk management and regulatory, is one of the competencies assessed in our Board Skills Matrix (see page 54 of our FY26 Annual Report). While the Board did not undergo specific climate-related training in FY26, the Board has been provided with briefings and sessions to support further development of skills relating to the oversight and management of climate-related risks and to foster its climate expertise, particularly in the context of climate reporting updates to the ARMC, and a Board climate scenario session (see page 14 for more information).

Expertise is also gained by directors who have directorships in industries with climate risks that are related to Spark's. Jolie Hodson, Spark CEO and Board member, is also a member of the Climate Leaders Coalition Steering Committee. The Climate Leaders Coalition is a CEO-led community of organisations aiming to lead the response to climate change. The Coalition provides opportunities to upskill through fostering connections with other organisations that have signed up to be part of the Coalition.

A description of how the Board considers climate-related opportunities when developing and overseeing Spark's strategy, and the way in which resiliency (related to physical risk) is integrated into our business, is set out in the 'Transition plan elements of Spark's strategy' section on page 9 and in the climate-related risk and opportunity tables on pages 19 – 29.

The Board is also responsible for remuneration policies. For our Leadership Team (direct reports to the CEO) and a select group of senior leaders, a Long-Term Incentive (LTI) scheme forms part of their remuneration package. As a long-term measure, an LTI is assessed over a future performance period, with the outcome determined at the end of that period, three years after the measure is set. The FY23, FY24 and FY25 LTI schemes included performance measures relating to Spark's Environmental, Social and Governance (ESG) performance, including performance against our emissions reduction target, which constitutes 12.5% of the LTI performance assessment weighting. These long-term incentives relate to performance for the years FY25, FY26 and FY27. In FY26 we report the outcome for the FY23 scheme, the first year that ESG performance measures were included. Performance measures related to ESG performance have not been included in the FY26 and FY27 LTI schemes, impacting remuneration outcomes for the future FY28 and FY29 years. For further information see page 46 of Spark's FY26 Annual Report.

An overview of the climate-related risks and opportunities responsibilities between the Spark Board and Management is described in the diagram on page 7.

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Management's role in climate-related risks and opportunities

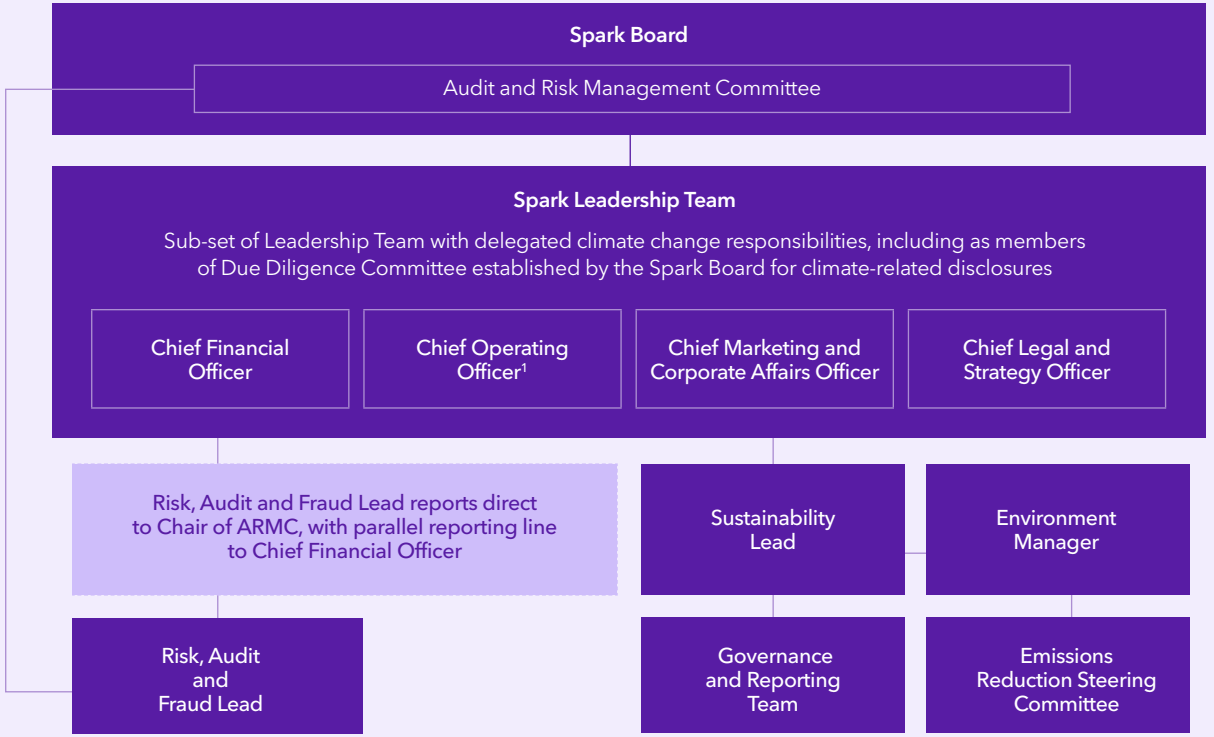
Climate-related responsibilities are assigned across the Spark Leadership Team and supported by internal governance groups and processes:

- The Chief Financial Officer is responsible for management of our overarching risk management system
- The Chief Marketing and Corporate Affairs Officer is responsible for Spark's overall sustainability strategy
- The Chief Operating Officer[1] is responsible for our most material climate change risks, which are integrated into the key risk 'Ensuring a Better Network and reliable operation of Spark's telco network, systems and infrastructure' in our enterprise risk management system, and progress against our emissions reduction target

For the preparation of Spark's climate-related disclosures, the Board and Leadership Team established a formal due diligence process and approved the establishment of a Due Diligence Committee to oversee the preparation of the Climate-related Disclosure Report. This Committee was first established for our FY24 disclosures, and is re-constituted each year to provide oversight of consequent climate-related disclosures, including this FY26 report.

1. In FY26 this role was performed by the General Manager of Network & Operations in an acting capacity.

Climate governance structure



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For broader issues, the full Leadership Team serves as Spark's sustainability steering group, with a standing agenda item each quarter to review performance against sustainability KPIs, discuss risks and opportunities and make decisions related to climate change and our broader sustainability work. The Chief Marketing and Corporate Affairs Officer then provides a quarterly sustainability update to the Spark Board. The key sustainability KPI that relates to climate change is our emissions reduction target – see page 34 for more information.

The Leadership Team has been engaged in our climate scenario analysis, supporting the development of our climate scenario narratives and exploring the identified effects on Spark through the initial sector scenarios developed in late FY24. In FY26 the Leadership Team reviewed our climate scenario analysis against our evolving strategic context (see page 17 for more information on our climate scenario analysis). The Leadership Team is also engaged in the preparation and review of our Annual Report, meaning all Leadership Team members are informed about climate-related risks and opportunities on an annual basis.

The Leadership Team is regularly updated on risks identified in our Enterprise Risk Management System. Spark's Risk, Audit and Fraud Lead provides a quarterly update to the Leadership Team and ARMC, a subcommittee of the Board. Our risk management system helps our people to manage uncertainty and adapt to challenges as they pursue our strategy.

A number of supporting teams and steering committees are led by our Sustainability Lead and Environment Manager. This includes our Governance and Reporting Team and Emissions Reduction Steering Committee. These teams report progress to the Leadership Team and Board through the quarterly sustainability updates.

The Governance and Reporting Team is a cross-functional group accountable for our performance, reporting, and risk management, including representatives from our financial, risk, legal, regulatory affairs, people and culture, and corporate affairs functions. The Team is led by our Sustainability Lead and provides additional oversight and tracking of actions related to climate change. The Emissions Reduction Steering Committee is led by our Environment Manager and comprises senior leaders and Leadership Team members from Network and Operations and Procurement and Partnerships teams.

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Climate strategy

How climate change may impact Spark now and into the future: scenario analysis, climate transition, risks and opportunities

Our climate strategy and transition plan actions are integrated into our overarching strategy and business processes. This integrated approach to transition planning reflects the connection of the climate transition to business strategy and financial value creation to shareholders. We consider that the core of our business strategy – investment in resilient infrastructure and supporting customers through connectivity and digital technology – combined with the relatively low emissions footprint of our direct operations, is broadly consistent with the need to transition to a low-emissions, climate-resilient future. As such, while we anticipate careful evolution of our strategy to respond to climate risks and opportunities in our business and broader value chain, we have not identified that a significant shift of our business model or asset base is required.

As an infrastructure provider we have robust processes established to manage physical risk across our business, which includes resilience to climate change alongside other hazards such as earthquake risk. We focus on ensuring that these existing business processes are prepared for the increase in frequency and severity of climate incidents. Resiliency (related to physical risk) is a key input into our network capital deployment and funding, and lifecycle energy costs and emissions reduction considerations are also factored into our capital investment decisions.

The Board and Leadership Team have considered opportunities from climate change as an input to Spark's strategic evolution. A focus of Spark's SPK-30 strategy is a better network, linked to resilience, reliability and trust. The strategy is underpinned by a number of enablers, including technology leadership, and sustainability. The sustainability elements of our strategy are expanded in our 'Better Digital Future' Sustainability Framework, available **here**. This includes working in our operations and supply chain to reduce climate impact, working with customers and communities to champion digital equity, and supporting Aotearoa's transition to a low-emissions future.

Applying the <IR> Integrated Reporting capitals model (see page 12 of our FY26 Annual Report) we describe our business model as:

- Investment and innovation in network, technology, and digital infrastructure that enables customers and underpins New Zealand's digital economy
- Market-leading products and services that connect and enable New Zealanders, including businesses and Government
- Sustainable business practices that protect and grow our licence to operate and market leadership
- A high-performing and inclusive culture that develops and empowers our people

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Resilience to power outages

Power outages are the leading cause of telecommunications disruption during extreme weather events, rather than damage to cell towers or network infrastructure. All mobile towers require a continuous power supply to operate and are equipped with battery back-up to keep mobile service running while mains power is being restored. If power outages continue beyond battery capacity, generators are deployed to provide extended back-up power.

In FY26, Spark, in partnership with Connexa, was awarded a contract by National Infrastructure Funding and Financing (NIFF) to enhance the resilience of 295 Spark mobile cell towers across New Zealand by upgrading their battery back up capacity to 24 hours. This will help maintain mobile connectivity for longer and support critical services, such as access to 111 during prolonged power outages. The increased battery capacity is co-funded by Connexa, Spark, and the Government. The upgrades will start in the second half of 2026 and are expected to be completed by June 2027.



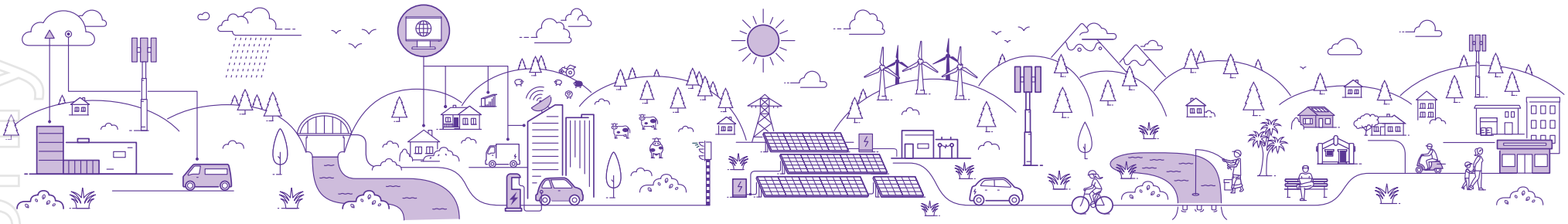
The 'Transition plan aspects of Spark's strategy' infographic on the following page provides a high-level view of the key actions across four key focus areas: resilient infrastructure, enabling customer transition through technology, reducing our emissions, and supporting a just transition. This includes metrics and targets we use to track our performance, and how these focus areas are aligned to our funding and capital allocation processes.

We provide more detailed commentary on transition planning actions in the tables on pages 20 – 29, with actions detailed under 'Management actions/ commentary' for each of the material climate-related risks and opportunities identified through our climate scenario analysis. Although supporting a just transition is an important part of our climate transition approach, linked to our focus on digital equity and inclusion, this does not relate to a specific material risk to Spark. Information on our approach to Digital Equity is available in our FY26 Annual Report and our website here.

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Transition plan aspects of Spark's strategy

(Current, ongoing actions supporting Spark's climate transition)

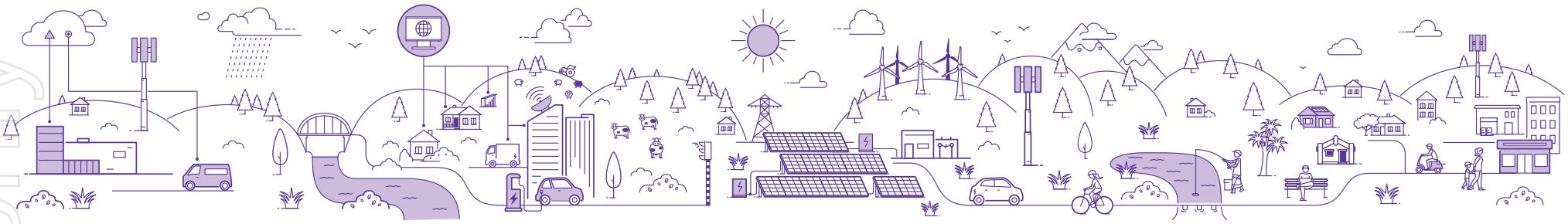


	Resilient infrastructure	Enabling customer transition through technology	Reducing our emissions	Supporting a just transition
Key actions integrated into Spark strategy	**Ongoing investment in infrastructure** • Annual investment to build network capacity, coverage, and resilience considering natural risk factors (see page 20) • Targeted investment to increase resilience at key sites **Incident response** • Our Network Operations Centre (NOC) function coordinates incident response (see page 20) • Investment to support response, including satellite-connected portable mobile towers, and additional portable generators (see page 21) **Advocacy and collaboration** • Working with telecommunications and other critical infrastructure sectors on disaster preparedness and during major incidents (see page 19)	**Focus on technology** • Enabling New Zealand businesses to grow and become more productive and sustainable through technology is part of our business strategy • Our analysis of sector-by-sector emissions reduction opportunities has been used as an input to strategy-setting processes • Spark subsidiary Adroit is a leading IoT provider that specialises in technology solutions for real-time environmental monitoring **Thought leadership and advocacy** • We advocate for the role of digital technology in New Zealand's response to the challenge of climate change	**Renewable energy partnership** • Partnership with Genesis Energy, linking procurement to new renewable energy generation to decouple Spark's business growth from emissions growth (see page 37) • Lauriston solar farm, operational since FY25, enables significant reduction in reported market-based scope 2 emissions • Working to complete the transition to matching 100% of electricity use to renewable energy from new generation capacity **Decarbonising our operations** • Continue to transition our vehicle fleet and optimise fleet efficiency (see page 36) • Improving the energy efficiency of our assets and infrastructure, including through retiring legacy infrastructure (see page 36) • Investigating and adopting low carbon alternatives to refrigerants, fire suppressants and diesel back up generators (see page 42) • Working with our partners to design and deliver more energy efficient networks **Engaging with our suppliers** • Work with our suppliers to encourage them to set science-based targets and reduce their emissions (see page 38)	**Integration with purpose and strategy** • As our economy decarbonises, digital skills and access will become increasingly important for a socially just transition. This aligns with our purpose to support all New Zealanders to win big in a digital world, and is integrated into our strategy through our commitment to digital equity **Community investment** • Spark Foundation leads Spark's digital equity work in the community, funding programmes using a strategic partnership approach **Improving digital access and affordability** • Low-cost subsidised broadband service, Skinny Jump, is delivered in partnership with community providers to reduce barriers to access

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Transition plan aspects of Spark's strategy (continued)

(Current, ongoing actions supporting Spark's climate transition)



	Resilient infrastructure	Enabling customer transition through technology	Reducing our emissions	Supporting a just transition
Alignment to capital allocation processes	• Improvements to network capacity, coverage, and resiliency is a key input into our capital allocation processes, with the majority of our capital invested into our network infrastructure (see page 20)	• Opportunities are considered through our strategy development process, with investment weighed against other business priorities as part of our ongoing capital management process	• Climate impact and lifecycle energy/carbon costs are included in IVP (Investment Value Proposition) process to support decision making • Emissions Reduction Steering Committee (see page 8) provides a forum to highlight investment opportunities to key decision makers, enabling prioritisation • Our ten-year renewable energy partnership was a financially material long-term commitment requiring Board approval supported by detailed analysis of commercial, strategic and emissions outcomes	• Spark provides annual funding to Spark Foundation • Skinny Jump is designed to operate on a not-for-profit basis, with the revenue generated covering programme costs

How we track performance and progress	• Network reliability and coverage measures are integrated into our network strategy and performance tracking	• Revenue linked to opportunities for climate mitigation and adaptation services (see page 29)	• Emissions performance is reported to Management and the Board quarterly and included in full year reporting annually, including an external audit of the GHG Inventory. Key targets include:
			  • SBTi target: Scope 1 + 2: 56% reduction in scope 1 and 2 emissions by FY30 from a FY20 baseline year (see page 34)
			  • Scope 3: 70% of suppliers by spend with science based target by FY26 (see page 34)
				• The Spark Foundation Board of Trustees monitors progress of Spark's community investments.
				• Skinny Jump performance is reported to Management quarterly – at the end of FY26 38,222 households were using the service

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Climate scenario analysis

We have undertaken climate scenario analysis to help identify climate-related risks and opportunities and develop a better understanding of the resilience of our business model and strategy. Climate scenarios provide an opportunity for organisations to develop their internal capacity to better understand and prepare for the uncertain future impacts of climate change. They are plausible, challenging descriptions of how the future may develop based on a coherent and consistent set of assumptions about physical and transition risks:

- **Physical risks**: risks relating to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute), such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature, and increased variability in weather patterns, such as sea level rise
- **Transition risks**: risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change

Spark co-led a sector-wide approach for the development of our climate scenarios. A shared sector approach is recommended by the XRB. The sector scenarios were developed in FY24 through a series of workshops, facilitated by environmental consultancy Tonkin + Taylor and our industry body the Telecommunications Forum (TCF). The process was guided by a focal question:

"How could climate change plausibly disrupt the telecommunications sector over the short (5 years), medium (15 years), and long-term (30+ years)?"

The sector-wide approach to climate scenario analysis supports collective engagement with other sectors and stakeholders. This is particularly important to inform long-term collaboration and planning. Throughout the process the sector consulted with the Ministry for the Environment, the Climate Change Commission, and representatives from the energy sector who were integrated into the TCF process. The TCF has established a cross-sector Climate Change Working Group to continue collaboration and present a single voice for the telecommunications sector. This Group plans to revisit the sector scenarios in the year ahead, drawing on internal climate scenario work across TCF member businesses, scenario reports published by other sectors such as energy and transport, and the recently published second National Climate Change Risk Assessment.

Our three climate scenarios

The three climate scenarios the telecommunications sector selected are outlined in the table on the following pages. These scenarios align to the requirements in NZ CS 1 for entities to analyse three scenarios, and each draw from a range of widely used global and local scenario archetypes, for example, the Intergovernmental Panel on Climate Change (IPCC) Shared Socioeconomic Pathways (SSPs), the National Institute of Water and Atmospheric Research (NIWA) representative concentration pathways (RCP) and the New Zealand Climate Change Commission decarbonisation pathways. They are also based on scenario archetypes that are consistent with those used by other infrastructure sectors in New Zealand to develop sector scenarios. The scenarios were designed and agreed in consultation across the sector. Given the broad range of inputs and alignment to recognised scenario archetypes, we believe the scenarios capture a broad set of possible outcomes that are relevant and appropriate to assessing the resilience of our business model and strategy to climate-related risks and opportunities.

A full report of the sector climate scenarios is published on the TCF and Spark websites. This includes detailed descriptions of the emissions reduction pathways in each scenario and the assumptions underlying pathway development over

time, including the policy and socioeconomic assumptions and macroeconomic trends.[1] It also includes full descriptions of the relevant scenario narratives, and an outline of the process followed to develop the scenarios. Those descriptions are included in this report by cross-reference. The report is available here.

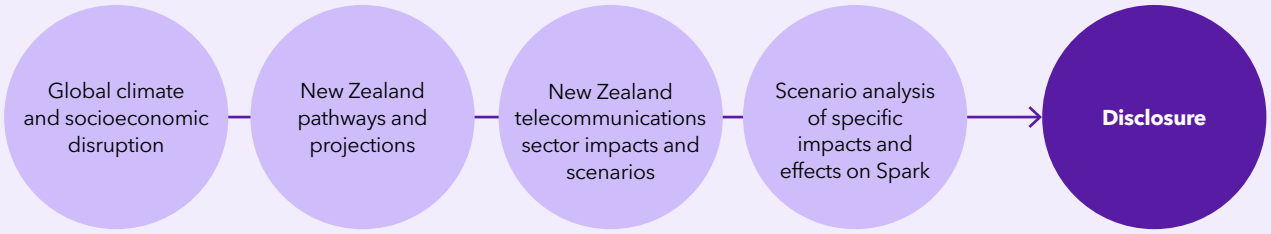
These three scenarios have been used to drive Spark's internal climate scenario analysis, which applied the detailed scenarios to our business and strategy to identify risks and opportunities specific to Spark. This is a stand-alone process, independent of our existing risk governance. The scope of our climate scenario analysis covers all of Spark's operations and the entire value chain, from upstream supply chain impacts to downstream impacts on our customers and the broader economy. It covers all business activities, operating companies, and subsidiaries. While external stakeholders and partners were involved in the sector-based scenario development, Spark's internal process did not involve any external partners or stakeholders.

The Spark Board and Leadership Team were engaged in the internal scenario analysis. The initial climate scenario process (for our FY24 disclosure) included separate workshop sessions with the full Board and Leadership Team. The purpose of these sessions was to discuss and pressure test the assumptions behind the three scenarios and to examine the potential effects of each scenario on Spark. This involved testing and building on effects identified by Spark employees as part of the sector-based process. These were considered across a number of categories:

- Economic
- Business-to-business customers
- Consumer customers
- Government and policy
- Infrastructure
- Supply chain
- Investors
- Managed retreat
- Social

In FY26 we revisited the three climate scenarios through two dedicated climate risk sessions: one with the Leadership Team and one with the Board. The purpose of these sessions was to focus on changes over the past two years in our business, strategy, and external environment, and consider what has changed since our initial scenario analysis. This included how Spark should respond to evolving risks and opportunities, and testing that we have identified the correct potential impacts on our business. A key theme across both sessions was that climate-related issues are increasingly being framed as part of a broader operating context defined by volatility, resilience and strategic infrastructure dependence rather than climate change alone. The three scenarios were still considered relevant and appropriate for testing plausible climate-related effects on Spark, noting the intent to refresh the sector-based scenarios in the year ahead in partnership with the TCF.

Stages of scenario analysis



1. See Section 4 and Appendix A of the sector climate scenarios. The assumptions used to create the sector scenarios were those that were considered to be most relevant to the sector. Specific assumptions were not included relating to energy pathways, carbon sequestration from afforestation, climate technology such as negative emissions technology, and nature-based solutions.

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Following these climate risk sessions we have reviewed and updated our detailed climate-related risk and opportunity tables (pages 20 – 29). These have been informed by our climate scenario analysis and previous workshops with the Spark Board and Leadership Team. Updates in FY26 include expanded commentary on current impacts, including current financial impacts. One key change is reporting disruption to electrical grid infrastructure as a stand-alone risk, emphasising its importance as the most common cause of climate-related network outages.

Members of the Leadership Team have reviewed and approved the updated disclosure, including as part of the Board-approved due diligence processes overseen by the Due Diligence Committee (see 'Management's role in climate-related risks and opportunities' section on page 7). The Board has reviewed and approved the updated FY26 climate-related risks and opportunities disclosed in this report arising from our review of the scenarios in FY26.

Remuera Exchange: Smarter infrastructure, lower impact

At our Remuera Exchange, we are demonstrating how targeted upgrades, and real-time data can significantly improve energy efficiency and environmental performance across our network.

As a pilot site for modernising critical infrastructure, the Remuera Exchange brings together solar generation, smarter design, and advanced IoT monitoring to reduce energy consumption while improving operational insight.

New solar panels provided through Spark subsidiary, Entelar Group are already delivering tangible benefits, supplying up to one-third of the site's daily energy needs during peak summer periods. This reduces reliance on grid electricity and lowers the overall emissions associated with our operations.

We have also reconfigured the transmission environment to improve efficiency. By separating active equipment zones from surrounding space, we have reduced the footprint requiring cooling, resulting in a meaningful reduction in power demand.

To support ongoing optimisation, the site is now equipped with multiple real-time monitoring systems that provide detailed visibility of energy use and temperature conditions. These include Packet Power sensors and Spark's IoT Bridge platform, enabling performance data to be captured at frequent intervals to support more responsive decision-making.

Looking ahead, we are expanding IoT capability at the site, including the integration of a rooftop weather station to track environmental factors such as solar irradiance, temperature and wind conditions. Over time, these data streams will be brought together through our Asset IQ platform, creating a single view of operational and environmental performance.

Remuera serves as a proof of concept for how we can modernise exchanges using data, smart design and existing infrastructure. The insights gained are informing how we scale similar improvements across our network, multiplying both energy savings and operational efficiency over time.



Spark's Autonomous Network Lead, Ulrich Frerk demonstrates a Packet Power sensor which enables real-time power monitoring at the Remuera Exchange.

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Physical risk analysis

Our physical risk analysis includes mapping climate model outputs (including 2024 Ministry for the Environment data) against the location of Spark mobile and fixed network sites. This analyses risk to our infrastructure and assets against the risks of sea level rise/coastal flooding, temperature, wind and rain pattern changes. This modelling provides information on the number and location of sites that may be of greater risk, and enables us to quantify the scale of potential impact and the investment required to mitigate risk, for example by strengthening or relocating vulnerable sites.

We updated this analysis against our current assets based at the end of FY26, adding new sites added over the past financial year. However, we recognise that this type of geospatial mapping has limitations. In particular, it does not fully capture the interconnected infrastructure that Spark relies on, such as electricity, transport and fibre networks, and does not provide the same level of insight as more sophisticated flood modelling for pluvial and fluvial flooding.

For FY26 we have built on our previous analysis by adding a more detailed assessment of the risks most relevant to different parts of our network. For mobile sites, our analysis recognises that the most material physical climate-related impact is not direct damage to mobile towers, which is rare, but disruption to the infrastructure that supports those sites. Most outages at mobile sites are caused by loss of power from the electrical grid, which can be affected by severe weather events including high winds, flooding and landslips.

To identify mobile sites with greater exposure to this interconnected infrastructure risk, we analysed maintenance records from the past three years to identify sites with multiple maintenance events caused by unplanned power outages. Sites with three or more unplanned power outage events over this three-year period, with unique events in each year that could be attributed to weather events, have been classified as 'high risk' to disruption from interconnected infrastructure failure. We note that this risk can be mitigated through existing and planned resilience measures, including battery back-up investment and the provision of portable generators.

For Spark-owned fixed network sites, including exchange buildings, we have considered the exposure of our assets against a broader set of physical risk categories, including flood risk. For the majority of sites, where information was available, this assessment used public data (e.g. from local council resources) to identify sites currently located in flood hazard areas. This includes zones up to 1% AEP (Annual Exceedance Probability, equivalent to a one-in-100-year event).

Mobile sites: physical risk assessment

	Total sites assessed	Sites at high risk to coastal flooding under 20cm sea-level rise scenario	Sites at high risk to current electrical grid infrastructure disruption	Total high-risk sites (no sites meeting both criteria)
Number of sites	1,722	28	21	49
Percentage of mobile sites	100%	1.6%	1.2%	2.8%

Fixed-network sites: physical risk assessment

	Total sites	Sites at high risk to coastal flooding under 20cm sea-level rise scenario	Sites assessed as high and moderate-to-high risk from flood events	Total moderate to high-risk sites (one site meeting both criteria)
Number of sites	40	1	7	7
Percentage of fixed-network sites	100%	2.5%	17.5%	17.5%

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Our climate scenarios

(Developed for FY24 telecommunications sector climate scenario analysis)

	Scenario #1: Orderly Transition	Scenario #2: Disorderly Transition	Scenario #3: Hothouse
Brief description of scenario narrative (further detail included in sector scenarios)	New Zealand and the world transitions to net zero by 2050 with strong policy and market changes clearly signalled by the government. Physical impacts from climate change are limited and align with the SSP1-1.9 scenario. Average global temperatures are limited to 1.5˚C above pre-industrial levels by 2050.	New Zealand and the developed world are delayed in their transition to net zero. This results in a steady increase in temperature and physical impacts in alignment with SSP2-4.5 (2 degrees by mid-century). By 2030, prompted by a number of significant weather events, NZ and the developed world realise that urgent action is needed to reach net zero, which results in poorly signalled policy and market changes coinciding with increased adaptation and recovery costs creating significant medium-term challenges.	New Zealand and the world abandon net zero targets, and there is no national or global movement to reduce emissions. Existing policies are reversed, and fossil fuel use continues. Physical impacts from climate change are severe with annual average global temperatures rising to 2 degrees above pre-industrial levels by 2050 and 3.6 degrees by 2100 (in alignment with SSP3-7.0).
Scenario datasets	• Intergovernmental Panel on Climate Change: SSP1-1.9 • NIWA: RCP 2.6 • Climate Change Commission: Tailwinds pathway	• Intergovernmental Panel on Climate Change: SSP2-4.5 • NIWA: RCP 4.5 • Climate Change Commission: Headwinds pathway	• Intergovernmental Panel on Climate Change: SSP3-7.0 • NIWA: RCP 8.5 • Climate Change Commission: Current policy
Global temperature change	1.5˚C	<2˚C	>3˚C
Transition risk	Highest	Medium	Lowest
Physical risk	Lowest	Medium	Highest
Policy response	Early and strategic	Slow until 2030, then reactive and significant	Slow, market-led, focused on adaptation
Economic impact	Highest in 5-year horizon, lowest over 30+ years	Highest over 15-year horizon	Highest over 30+ year horizon

Time horizons for scenario analysis and climate-related risks and opportunities

	Short term	Medium term	Long term
Time horizon	5 years	15 years	30 + years*
Year relative to baseline year (2024)	2030	2040	2055+
Rationale for selection and link to strategic planning horizons and capital deployment plans	Aligns with emissions reduction target and with future-facing investment horizon	Aligned with typical life of technology assets	Aligned with further materialisation of physical risks, particularly on infrastructure.

* For risk analysis we used a timebound 30-year horizon. The 30+ year time horizon was used for long-term scenario development.

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Supporting climate adaptation through digital technology

Spark subsidiary, Adroit, worked with the Far North District Council and Germany-based Dryad Networks, to deploy an early wildfire detection system at the Waitangi Endowment Forest and adjoining Waitangi Mountain Bike Park, establishing New Zealand's first fully connected 'smart forest'.

Northland's climate has shifted in the past decade, with longer dry spells, elevated temperatures, and more frequent high-wind events increasing the region's vulnerability to fast-moving fire. Traditional detection methods only identify fires once they are visible above the canopy, when a fire may already be burning at a size and intensity that demands a full emergency response.

Adroit's system uses a network of 250 solar powered sensors connected via Spark's IoT network to detect early indicators of fire, including changes in air quality associated with smouldering, enabling faster response in the critical early minutes when a small crew can extinguish a potential wildfire quickly and safely.

By strengthening preparedness and helping protect native biodiversity and valuable ecosystems, along with safeguarding one of New Zealand's cultural landmarks, the project demonstrates how connected technology can enhance resilience to climate driven hazards.



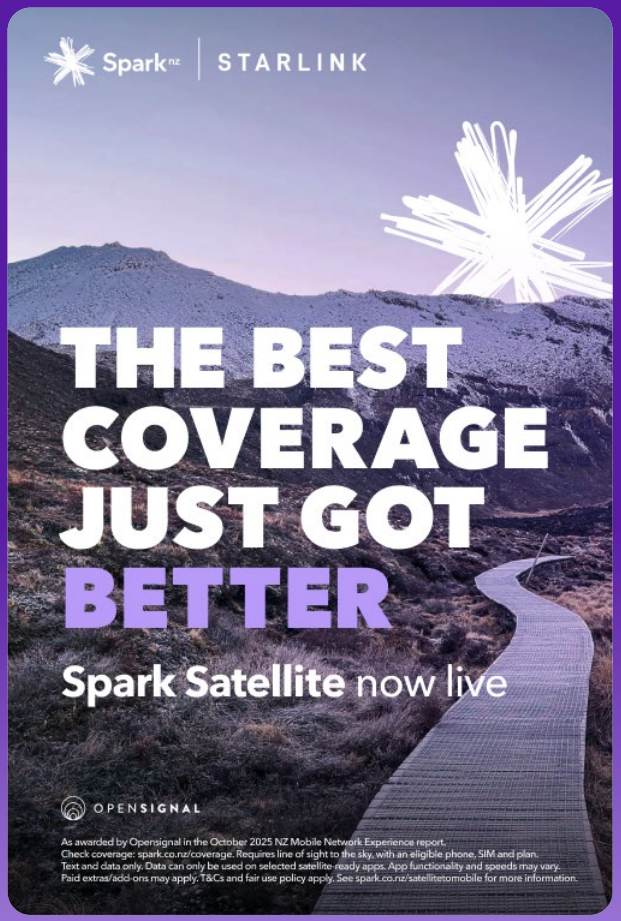
A fire-detection, solar-powered IoT sensor at Waitangi Endowment Forest.

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Impact of satellite technology

The development of satellite technology supports resilient connectivity. Spark maintains a number of satellite connected emergency small cells that can be rapidly deployed when sites are impacted. These sites have been deployed during severe weather events as part of our emergency response. We work collaboratively with our peers on disaster preparedness and during major incidents. The sector comes together through our industry group, the Telecommunications Forum (TCF), which coordinates operators and other infrastructure sectors including electricity, roading and government to restore services.

In FY26 we also launched satellite-to-mobile services through Starlink. This service provides an additional connectivity option during disruptions. The satellite-to-mobile service is available to customers on specific plans, however, in the event of a natural disaster we open the service up to all Spark customers. In April, as Cyclone Vaianu impacted parts of the North Island, Marlborough and the Chatham Islands, Spark made satellite texting available to all Spark and Skinny customers across these areas as a precaution, so they could stay connected if mobile coverage was disrupted.



Spark launched its satellite-to-mobile service in April.

Climate-related risks and opportunities

The tables below outline the current impacts of climate change on our business, and climate-related risks and opportunities that we have identified over the short, medium, and long term. As many of the risks and opportunities identified are present across all time horizons we have explained the trend that these risks and opportunities follow across time horizons, identifying the horizon in which the risk or opportunity is most significant. The tables also include information relating to the anticipated impacts of Spark's climate-related risks and opportunities.

Where we have reported a quantified current financial impact, we have explained the methodology and data included in each calculation. We acknowledge that the precise quantification of current climate-related financial impact is subject to significant uncertainty, and that isolating climate-related factors from interrelated factors is not always possible. Through this financial quantification disclosure our objective is to provide transparent and useful data to provide context on the scale of climate-related impacts and costs on our business over the past year.

Physical risks

Damage to Spark infrastructure

Risk description

Increased frequency and intensity of weather events featuring high winds and heavy rain may result in increased damage to Spark sites through wind damage (including falling vegetation), flooding and rain-induced landslides. This includes damage to active mobile network equipment, exchange buildings, and data transport networks

Time horizon

Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest

Present in all scenarios, but most significant under Hothouse scenario

Current impacts

We have observed an increase in the frequency and intensity of weather events over the past three years, however this has not had a significant impact on direct damage to Spark infrastructure, including exchange sites, mobile network sites and Spark-owned fibre networks. The majority of network outages are caused by disruption to supporting infrastructure, particularly power outages. See the risks below for commentary on impacts related to disruption to supporting infrastructure.

Current financial impact (including adaptation costs)

Year-on-year there was no material change in reactive maintenance costs to Spark infrastructure that could be attributed to long-term increases in frequency or intensity of weather events.

We saw no direct climate-related impact on our insurance costs in FY26. We also saw no climate-related increase in costs of new infrastructure.

No identified climate-specific impact in FY26

Note: We have quantified specific climate-related FY26 investment in network resilience in the "Disruption to electrical grid infrastructure" and "Disruption to other supporting infrastructure" physical risks on the following pages (21). This is because the majority of our climate-related investment in network resilience is to address failure to supporting infrastructure, including power and fibre networks. This includes investment in batteries, generators, portable cell sites and satellite backhaul technology.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased reactive maintenance costs (labour, fleet, contractors, and parts)
- Increased customer disruptions impact revenue, brand, and reputation
- Increased insurance cost
- Increased costs of new infrastructure builds to meet higher climate resilience standards

We anticipate impacts to be limited. Our physical risk analysis shows only a small number of Spark sites are likely to face significant risk of direct physical damage, with a small number of mobile sites, and one regional exchange, in locations vulnerable to coastal inundation and flooding over a 30-year horizon. See the 'Physical risk analysis' section on page 16 for a summary of the process and limitations of our analysis.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in network capacity and resilience annually, which is a key part of our business model. Investment to support the growth in capacity of our network, such as the roll out of new mobile sites, and other connectivity options such as satellite-to-mobile, also provides network redundancy and protects against other physical hazards, such as earthquake and tsunami risks. For this reason it is not possible to isolate climate-specific investment. **In FY26 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.**

Existing exchange buildings (and data centres now under TenPeaks – see page 35) have been carefully located considering physical hazards.

Our three geographically diverse, resilient network data centres provide core voice and mobile services, with each site able to operate independently and support our total national demand.

We have strengthened our high-speed fibre optic backbone, which carries data across the country, and are now extending its reach to more regional areas. This ensures better connectivity and faster recovery in the event of an outage, with multiple redundancy paths and automated technology to diagnose and resolve network issues.

All network outages are managed through a centralised Network Operations Centre (NOC). The NOC function is based across multiple geographically diverse locations, supported by our strategic network partners in New Zealand and overseas. It is supported by a unified monitoring system, improving coordination and making it easier to respond to network issues quickly.

Spark's Outage Assist service notifies customers when we detect fixed-broadband service outages. Eligible Spark mobile customers can receive free mobile data, calls and texts to stay connected during the outages.

For more detail refer to the network resilience case studies (page 10).

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Physical risks (continued)

Disruption to electrical grid infrastructure

Risk description

Increased frequency and intensity of weather events featuring high winds and heavy rain result in more outages and disruption to electrical grid infrastructure that provides energy to Spark sites. This includes damage from high winds, including falling vegetation on transmission lines, and flooding of critical infrastructure sites, such as grid substations, and flooding and rain-induced landslip damage including impacting power lines

Time horizon

Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest

Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

Over the past three years we have observed an increase in reactive maintenance events for our mobile network sites linked to unplanned power outages. In FY26 our network was resilient to these events, and we were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

In FY26 there were no direct operational cost increases related to increased power outages linked to weather events. We did observe an increase in reactive call-outs to address unplanned power outages at mobile network sites. However, these are indirect costs via our tower infrastructure partners, Connexa.

In FY26 proactive resilience investments included:

- Expanded and/or refreshed battery back up at a number of sites
- Minor weather tightening in our exchanges

These costs to Spark are included in the financial impact quantification below.

FY26 financial impact: less than $1m

Note: In FY26 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increase in frequency and duration of grid outages results in increased network outages

The majority of outages to Spark's network are caused by extended power outages. As an interconnected risk, damage to roads exacerbates outages as it limits access to repair electricity lines, or to access Spark sites to install temporary generators.

Management actions/commentary (transition planning actions integrated into strategy)

Spark's programme of investment to protect against electrical grid disruption also protects against other physical hazards, such as earthquake and tsunami risks.

For our mobile network we invest to extend battery life on major, critical mobile sites to ensure they can withstand power outages for longer periods of time, alongside improvements to cell tower management during outages to prioritise connectivity for essential communications functions such as calls and texts.

For prolonged outages portable generators are used to provide power to mobile sites. Large-scale fixed generators are in place at critical exchange and data centre sites, which can operate continuously without grid power.

Through our network partner Connexa we have upgraded the capacity of portable generators to ensure they are able to meet these increased power needs. We are also partnering with Connexa, supported by Government funding, to enhance the resilience of 295 Spark mobile cell towers across New Zealand by upgrading their battery back-up capacity to 24 hours. For more detail refer to page 10.

The development of satellite technology supports resilient connectivity. In FY26 we launched satellite-to-mobile services through Starlink. This service provides an additional connectivity option during disruptions. The satellite-to-mobile service is available to customers on specific plans, however, in the event of a natural disaster we open the service up to all Spark customers. See page 19 for more information.

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Physical risks (continued)

Disruption to other supporting infrastructure

Risk description

Increased frequency and intensity of weather events featuring high winds and heavy rain result in more outages and disruption to infrastructure that supports Spark's operations, including passive tower infrastructure and supporting transport and telecommunications networks. This includes damage from high winds, including falling vegetation, flooding of non-Spark network sites, and flooding and rain-induced landslip damage to road corridors, bridges and culverts disrupting fibre backhaul and physical site access

Time horizon

Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest

Present in all scenarios, but most significant under the Hothouse scenario

Current impacts

We have observed an increase in the frequency and intensity of weather events over the past three years. This has not had a significant impact on damage to passive tower infrastructure, with no damage noted in FY26. We have not noted a significant increase in disruption to fibre backhaul related to increased weather events.

We have noted an increased incidence of high rainfall and flooding increasing disruption to roading. These events are managed as business-as-usual, with our network being resilient to this disruption, including outages to supporting infrastructure. We were able to address and resolve outages through our standard operating practices.

Current financial impact (including adaptation costs)

As per 'Damage to Spark Infrastructure', year-on-year there was no material change in reactive maintenance costs that could be attributed to long-term increases in frequency or intensity of weather events.

In FY26 resilience and readiness investments included:

- Investment in satellite capable backhaul equipment to be deployed reactively to sites that have lost connection

These costs to Spark are included in the financial impact quantification below.

FY26 financial impact: less than $100,000

Note: In FY26 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m.

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increase in damage to passive tower infrastructure (e.g. tower masts) causes outages or creates damage to Spark's active infrastructure
- Increased frequency of backhaul (fibre) outages caused by flooding, landslips, and road and/or bridge damage along transport corridors
- Increased damage to road transport networks limits ability to reach sites to perform maintenance and upgrades or address outages, e.g. installing and/or fuelling generators, restoring backhaul connectivity etc.

Damage to supporting infrastructure is potentially material in many regions, and is interconnected with the risk of disruption to electricity supply. As noted above, damage to roads exacerbates outages as it limits access to repair electricity lines, to access Spark sites to install temporary generators, or to provide repairs to other supporting infrastructure such as fibre backhaul.

Management actions/commentary (transition planning actions integrated into strategy)

We continue to invest in resilience to support infrastructure outages. This includes power back up and alternatives to fibre backhaul, allowing our sites to maintain connectivity whilst other infrastructure is unavailable. This investment also protects against other physical hazards, such as earthquake and tsunami risks.

As noted in our management actions to address electrical grid infrastructure disruption, we are continuing to invest in increased battery capacity at key sites. In part this is to address risk to roading infrastructure, with the risk that we are unable to access sites to install temporary generators in the event of weather events impacting power and roading networks.

To improve backhaul resiliency we have established a network of satellite-connected temporary small cell sites throughout the country for use in emergencies. We are also implementing backup satellite backhaul at a number of permanent cell towers.

For more detail refer to the network resilience case studies (page 10).

As noted above, the development of satellite technology supports resilient connectivity. In FY26 we launched satellite to mobile services through Starlink. This service provides an additional connectivity option during disruptions. The satellite-to-mobile service is available to customers on specific plans, however, in the event of a natural disaster we open the service up to all Spark customers. See page 19 for more information.

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Physical risks (continued)

Supply chain disruption

Risk description

Physical climate impacts (e.g. factory fire/flooding) disrupt global supply for critical inputs, including network equipment and customer devices. Increased global weather events increase competition and demand for network spares.

Time horizon

Increasing in severity over time, most significant in the 30+ year time horizon

Scenario where risk is greatest

Present in all scenarios, but most significant under Hothouse scenario

Current impacts

We have not identified any significant global supply chain disruption linked to climate change or weather events in FY26. We observed significant disruption to global supply chains related to geo-political events in FY26, however this is not directly climate related.

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Constrained supply of network equipment increases costs, limits ability to respond to reactive maintenance needs, and slows opportunities for investment in new technologies
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand, and reputation

Management actions/commentary (transition planning actions integrated into strategy)

Through our annual supplier ESG survey we ask priority suppliers to share their processes to identify climate-related risks in relation to the provision of products and services to Spark and other customers. This includes information on identified risks and mitigations.

For supply chain and strategic partners a key consideration is diversity to reduce single points of failure and build resilience.

For critical inventory items and spares we continually review our working capital levels to hold appropriate levels of stock in-country.

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Transition risks

Telecommunications market disruption

Risk description

Customers in rural or vulnerable locations shift to satellite or alternative technologies due to concerns over resilience of connectivity due to physical climate risks

Time horizon

Already happening to a degree, likely to increase to be most material in the 15-year time horizon

Scenario where risk is greatest

Present in all scenarios

Current impacts

We continue to see the roll out of satellite technology, including Spark's own services provided in partnership with Starlink. However, we have not identified any climate-specific impacts in FY26.

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Loss of customers in rural and/or vulnerable locations to satellite providers

Management actions/commentary (transition planning actions integrated into strategy)

Technology evolution will continue to influence the market. Over short/medium term it is clear that satellite can complement telecommunications, enabling customers to be served in areas where it is uneconomic or not viable to provide mobile connectivity or there is greater risk of service disruption due to climate-related events. Many of the people in remote locations who have already adopted satellite broadband are likely to have done so for non-climate reasons.

For satellite-to-mobile services, we launched services through Starlink in FY26. The satellite-to-mobile service is available to customers on specific plans, however, in the event of a natural disaster we open the service up to all Spark customers. See page 19 for more information.

Over the long-term 30+ year horizon there is lower certainty on the impact of technology evolution on Spark.

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Transition risks (continued)

Regulation and government intervention

Risk description

Regulation of network resilience standards, coordination of managed retreat

Time horizon

Most likely under the Orderly scenario in the 5-year horizon (risk of inflexible regulation)

Scenario where risk is greatest

Most likely under the Disorderly scenario in the 15-year time horizon (risk of uncoordinated approach)

Current impacts

We identified no specific climate-related impacts from regulatory interventions requiring additional investments during the year.

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Inflexible regulation could mandate inefficient investment and reduce ability to innovate and adapt to evolving technologies, e.g. satellite. (Most likely under the Orderly scenario in the 5-year horizon)
- Uncoordinated approach to managed retreat may lead to investment uncertainty. (Most likely under the Disorderly scenario in the 15-year time horizon)

An interconnected regulatory risk relates to potential barriers to future technology choices due to perceived national security and data sovereignty risk. Although not a direct climate-related risk, this could limit options to integrate some technologies, e.g. satellite, into integrated approaches to national infrastructure investment.

Management actions/commentary (transition planning actions integrated into strategy)

We are engaging with local and central Government to advocate for a coordinated approach to adaptation and resilience, with clear cost/benefit analysis supporting any new standards.

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Transition risks (continued)

Supply chain disruption

Risk description

Rapid adoption of low-emissions technologies disrupts supply of input materials to digital technologies

Time horizon

Most likely under the Orderly scenario in the short-term 5-year horizon (constrained supply of network equipment)

Scenario where risk is greatest

Most likely under the Disorderly scenario in the 15-year time horizon (disruption to customer devices)

Current impacts

We have not identified any climate-specific impacts in FY26.

Current financial impact (including adaptation costs)

No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Constrained supply of network equipment increases costs and limits ability to respond to reactive maintenance needs, also slowing opportunities for investment in new technologies. (Most likely under the Orderly scenario in the short-term 5-year horizon)
- Disruption to supply chain for customer devices (e.g. mobile handsets, modems etc.) limits ability to serve customers, impacting revenue, brand and reputation. (Most likely under the Disorderly scenario in the 15-year time horizon)

Management actions/commentary (transition planning actions integrated into strategy)

We are engaging with priority suppliers to understand their climate risk processes and critical failure points.

For critical inventory items and spares we work with our suppliers and partners to ensure we hold appropriate levels of stock in-country.

Economic disruption

Risk description

New Zealand Gross Domestic Product (GDP) reduction caused by economic transformation and climate events

Time horizon

Likely in **Disorderly** due to combined transition and physical impacts in **15-year time horizon**

Scenario where risk is greatest

Likely in **Hothouse** scenario due to significant long-term physical impacts in **30+ year time horizon**

Current impacts

As a long-term macroeconomic issue it is not possible to isolate any particular impacts on Spark in FY26.

Current financial impact (including adaptation costs)

We are unable to quantify impact on a short-term annual basis. On an annual basis we consider this to be unmeasurable unless there is a single (or series of) significant events that result in measurable economic contraction. There were no significant events noted in the past 12 months.

FY26 financial impact: NOT QUANTIFIABLE

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Reduced revenue caused by reduced economic activity that is unevenly distributed across customer sectors

Management actions/commentary (transition planning actions integrated into strategy)

We maintain a flexible business plan and can adjust to shifting economic conditions. We are planning for long-term climate impacts across our customer base by understanding exposure to high-risk sectors and regions.

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Transition risks (continued)

Meeting stakeholder expectations

Risk description
Increased expectations to reduce climate impact drive stakeholder behaviour change, including investors, customers and communities

Time horizon
Most likely in the short-term 5-year horizon

Scenario where risk is greatest
Most likely under the Orderly scenario

Current impacts
No negative impacts identified in FY26. Spark's long-term renewable energy partnership with Genesis Energy supports our long-term emissions reductions. The long-term commitment is anticipated to reduce electricity costs over the ten-year period vs. standard market costs.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- **Investors**: Shifting capital to low-carbon, low-risk organisations that are well positioned for climate transition and other ESG risks
- **Customers**: Consumers and business customers shifting spend to organisations aligned to their climate expectations and broader sustainability concerns
- **Renewable energy**: Risk that insufficient new renewable energy generation capacity limits data centre growth opportunities due to customer requirements and national decarbonisation expectations
- **Data centre concerns**: Potential social licence to operate (and grow) risks related to stakeholders concern on growing environmental footprint of data centres, particularly related to AI-focused data centres

Management actions/commentary (transition planning actions integrated into strategy)
ESG is integrated into our business strategy. We have a Sustainability Framework that guides continual improvement, and clearly established governance frameworks with oversight at the highest level, through our Board.

We have established a near-term science-based emissions reduction target for our scope 1 and 2 emissions, which has been verified by the SBTi (see page 34). This establishes our own internal decarbonisation pathway against which we are tracking progress. Initiatives include our ten-year renewable energy partnership with Genesis Energy that supports the generation of new renewable energy in New Zealand (see page 37).

Data centre sustainability remains a focus through Spark's investment in TenPeaks following the sale of our data centres. This includes sustainable design, build and operations, and linking to new renewable generation supported by Spark's renewable energy partnership with Genesis Energy.

We benchmark our performance via the S&P Corporate Sustainability Assessment.

For more detail refer to www.spark.co.nz/online/about/sustainability

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Transition risks (continued)

Access to capital

Risk description
Climate-related disruption to global markets limits long-term access to capital

Time horizon
Not a short-term risk. Most significant in the 30+ year time horizon

Scenario where risk is greatest
Most significant under the Hothouse scenario

Current impacts
This is a long-term risk. In FY26 we have not identified any instances where investors in Spark have shifted capital away or towards Spark for climate-related reasons.

Current financial impact (including adaptation costs)
No identified climate-specific impact in FY26

Potential impacts (anticipated impacts pre-mitigation)
Identified potential impacts include:

- Limited access to capital for future investment

Management actions/commentary (transition planning actions integrated into strategy)
We are not a heavy emitting business, and as outlined above, we have an approach to ESG that drives continual improvement. As a digital services company, we enable climate mitigation and adaptation through the services we provide. On this basis we believe that climate risk is unlikely to limit Spark's long-term access to financial capital.

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Climate-related opportunities

COMBINED CURRENT IMPACTS

Opportunity for climate mitigation and adaptation services

Current impacts

Many of our existing IoT services, including connectivity and monitoring solutions, are linked to climate benefits. An example is connectivity services related to smart energy meters, which can enable climate mitigation innovation through a smarter, connected grid alongside other benefits to customers.

We also provide hardware solutions to support the solar industry (via Entelar Energy), and Starlink Satellite Internet to enterprise customers which can support business continuity in the event of severe weather.

These services provide an ongoing source of revenue to Spark.

Current financial impact (including adaptation costs)

Includes revenue from:

- Connectivity services for IoT customers used in monitoring, e.g. smart energy meters, environmental monitoring
- Specific customer solutions, e.g. environmental monitoring, fleet tracking, resilient connectivity
- Entelar Energy through hardware solutions to support the solar industry

FY26 financial impact: ~$20m revenue

Opportunity for climate mitigation services

Opportunity description: Innovation and provision of digital and high-tech services that support customers to become more productive, efficient and sustainable

Time horizon

Most significant in the 5 and 15-year horizons

Scenario where risk is greatest

Most significant under the Orderly scenario

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from connectivity services and or advanced/converged digital solutions that drive efficiency, e.g. GPS fleet optimisation, industrial process automation
- New revenue opportunities through supporting the energy transition through supply chain and hardware solutions

Management actions/commentary (transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year.

We have completed research on the key sectors where the greatest emissions reduction opportunities lie. We have partnered with NZTech to promote the integration of these opportunities into New Zealand's national emissions reduction planning. We continue to advocate for the role of digital technology in addressing climate-related challenges.

Entelar Energy is a division of the Entelar Group, a Spark subsidiary. They provide hardware solutions to support the solar industry in New Zealand for both the residential and commercial market, including batteries.

Opportunities for climate adaptation services

Opportunity description: Providing services to enable customers to adapt to climate change, including environmental monitoring to track physical risks such as flooding, wind, fire etc.

Time horizon

Present across all scenarios and time horizons, but most material across the following:

Disorderly: 15 years
Hothouse: 30+ years

Potential impacts (anticipated impacts pre-mitigation)

Identified potential impacts include:

- Increased revenue from IoT and monitoring services, which monitor climate risks
- Increased revenue from services to support resilient connectivity in the event of severe weather

Management actions/commentary (transition planning actions integrated into strategy)

Our IoT business provides solutions to customers that deliver environmental benefits, with connections and revenues continuing to grow year-on-year. This includes the integration of environmental IoT company Adroit, which was acquired in FY24 and now forms part of Spark IoT.

We provide Starlink Satellite Internet to enterprise customers which can support business continuity in the event of severe weather.

For an example of a climate adaptation service see the Supporting customer transition through technology case study on page 18.

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Climate risk management

How climate-related risks are identified, assessed and managed

Processes and tools for identifying, assessing, and managing climate-related risks and integration into overall risk management processes

Our climate scenario analysis is our primary process for identifying new and emerging risks and opportunities from climate change. The risks and opportunities identified through this process are reviewed annually by our Board and Leadership Team as part of annual reporting processes. We completed our first climate scenario analysis in FY21, the results of which were published in our FY21 Annual Report. For FY24 we refreshed our scenario analysis, supported by a sector-wide approach. For this FY26 report we engaged with our Leadership Team and Board to revisit the sector scenario analysis against our changing strategic context. See the 'Climate scenario analysis section on page 13 for more information on the processes we have followed to identify and assess risk, and the time horizons considered by our analysis. The scenario analysis processes undertaken consider Spark's entire value chain.

Our climate scenario analysis is an input into our overarching risk governance. Our risk policy and framework are benchmarked to COSO ERM 2017 (COSO), a leading practice risk management standard. We also use other leading risk management standards like ISO31000:2018 and specific standards and guidance, where available, to benchmark and inform our risk management practices.

Within our overarching risk framework, we update our principal risk profiles twice a year. Our risk framework is how we prioritise different types of risks across the organisation. This considers risks to Spark delivering against its SPK-30 strategy. The materiality of risks is considered against the likelihood of occurrence and the scale of financial impact. 'Ensuring a Better Network and reliable operation of Spark's telco network, systems and infrastructure' is one of the principal risks, which includes physical adaptation risk to our networks, and risk in our network supply chain, aligned to the physical risks identified through our climate scenario analysis. See the Managing Risk section of our FY26 Annual Report (page 126) more detailed information on how Spark manages principal risks.

To ensure linkage between our principal risk processes and our sustainability/ESG risks (including climate change) we include a summary of sustainability risks in quarterly risk reporting to our Board and Leadership Team. This lists our most material sustainability topics, identified through our sustainability materiality processes and our climate scenario analysis. We also map these topics across to our principal risks to show how we have integrated emerging and longer-term issues into our enterprise risk management approach.

The timeframes for our climate scenario analysis (5, 15 and 30+ years) extend beyond the time horizons considered by our principal risk assessment which is aligned to our SPK-30 (2030) strategy horizon.

For emerging risks that fall outside of the principal risks described above, we identify actions for managing those risks outside the enterprise risk system. An example of an action from previous climate risk assessment is research published into the role of digital technology in supporting emissions reductions.

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Climate metrics and targets

How Spark measures and manages climate risks and opportunities, including our emissions targets and performance

Climate-related metrics

The table below sets out our key climate-related metrics by reference to the relevant paragraph of NZ CS 1. Outside of the metrics below, Spark does not use any industry-based metrics or key performance indicators to measure and manage climate-related risks and opportunities. We have included information relating to the methods, assumptions and uncertainties associated with the below metrics within the table, with further detail of the methods, assumptions and uncertainties relating to our GHG emissions outlined in our GHG inventory report (Appendix 1 of this report). Please see Appendix 2 for the Independent Limited Assurance Report on GHG Inventory Report and selected GHG disclosures provided by Deloitte.

	Metric Category	Metric	Notes
22(a)(i)	Scope 1 emissions (including comparatives and analysis of trends)	FY26: 1,973 tCO_2e FY25: 2,139 tCO_2e FY24: 4,438 tCO_2e	See our GHG Inventory Report for breakdown of scope 1 emissions (page 39) and 'Our emissions performance' for comparatives/analysis of trends (pages 31 – 38) Our scope 1 comparatives for FY24 and FY25 have been restated to exclude data centre operations.
22(a)(ii)	Scope 2 emissions (location-based) (including comparatives and analysis of trends)	FY26: 6,217 tCO_2e FY25: 13,148 tCO_2e FY24: 9,703 tCO_2e	Using location-based method required by NZ CS 1. See our GHG Inventory Report for breakdown of scope 2 emissions (page 39) and 'Our emissions performance' for comparatives/analysis of trends (pages 31 – 38). Location-based scope 2 emissions have decreased in FY26 primarily as a result of a reduction in the grid emissions factor alongside reductions in electricity use. Our scope 2 comparatives for FY24 and FY25 have been restated to exclude data centre operations.
	Scope 2 emissions (market-based) (including comparatives and analysis of trends)	FY26: 4,352 tCO_2e FY25: 12,726 tCO_2e FY24: 9,983 tCO_2e	Using a market-based approach aligned to our existing GHG reporting against our SBTi target. See our GHG Inventory Report for breakdown of scope 2 emissions (page 39) and 'Our emissions performance' for comparatives/analysis of trends (pages 31 – 38). Market-based scope 2 emissions have decreased in FY26 primarily as a result of a change to the relevant emissions factor, and the retirement of renewable energy certificates. Our scope 2 comparatives for FY24 and FY25 have been restated to exclude data centre operations.
22(a)(iii)	Scope 3 emissions	FY26: 144,726 tCO_2e FY25: 212,909 tCO_2e FY24: 397,721 tCO_2e	See our GHG Inventory Report for breakdown of scope 3 emissions (page 39) and 'Our emissions performance' for comparatives/analysis of trends (pages 31 – 38). Scope 3 emissions have not been restated to reflect the divestment of Spark's data centre operations, and the reduction in scope 3 emissions represents both operational reductions in emissions and scope/boundary changes. This means like-for-like comparison of performance against previous years is not possible.

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	Metric Category	Metric	Notes
22(b)	GHG emissions intensity	FY26: 0.038 $kgCO_2e$ / $ revenue FY25: 0.062 $kgCO_2e$ / $ revenue FY24: 0.107 $kgCO_2e$ / $ revenue	Calculated as total scope 1, 2 (market-based) and 3 emissions divided by reported revenue. FY24 and FY25 numbers are as reported in previous years, which include data centre emissions and revenue. A direct year-on-year comparison is not possible due to this and changes to scope 3 reporting methodology impacting these figures, and accordingly it is not possible to disclose an "analysis of trends" for this metric. See page 36 for more information.
22(c)	Transition risks – amount or percentage of assets or business activities vulnerable to transition risks	FY26: Not quantifiable for individual assets or activities (unchanged from FY24 and FY25).	We have identified enterprise-wide transition risks, with the most material risks related to medium/long-term economy-wide economic impacts of climate change. As such, these relate to the entire Spark business rather than to an identifiable amount or percentage of assets or business activities. Given this is unchanged since FY24, there is no "analysis of trends" to report.
22(d)	Physical risks – amount or percentage of assets or business activities vulnerable to physical risks	FY26: ~3.2% of all sites identified in physical risk analysis FY25: <2% of all sites identified in physical risk analysis. FY24: <2% of all sites identified in physical risk analysis.	The FY26 analysis has been expanded to include mobile sites considered vulnerable to current electrical grid disruption and fixed-network sites vulnerable to pluvial and fluvial flooding. Refer to the Physical risk assessment section on page 16. In terms of an analysis of trends, the only material change to this metric since FY24 has been the expansion of the metric as outlined above.
22(e)	Climate-related opportunities: amount of percentage of assets or business activities aligned with climate-related opportunities	FY26: Not quantifiable for individual assets or activities (unchanged from FY24 and FY25).	It is not possible to distinguish climate-related opportunities from broader telecommunications and digital service assets and activities. Our infrastructure supports solutions aligned to climate-related opportunities, as they enable technologies and services that enable climate mitigation and adaptation. Note we report revenue associated with specific climate mitigation and adaptation related services on page 29. Given this is unchanged since FY24, there is no "analysis of trends" to report.
22(f)	Capital deployment: amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	FY26: Not quantifiable (unchanged from FY24 and FY25)	Due to the nature of our business, the majority of Spark's capital expenditure is to build capacity, coverage, or resilience of our infrastructure – all of which contribute towards addressing both climate-related risks and opportunity. For example, our investment in network resilience and expanded mobile networks. Note we report that in FY26 our capital investment in fixed and mobile networks, which includes investment that supports resilience against physical climate risk, was over $200m – see page 20. Given this is unchanged since FY24, there is no "analysis of trends" to report.
22(g)	Internal emissions price: price per metric tonne of CO_2e used	Range considered, escalating over time: $72.1-$88.3 (FY24) $76.8-$97.5 (FY25) $81.4-$106.8 (FY26) $100.0-144.0 (FY30)	We have used a range of escalating emissions prices, including an emissions price aligned to the Climate Change Commission's demonstration pathway, to assess and compare emissions reduction opportunities, including renewable energy and certificate costs. We have built indirect carbon cost into energy cost models for investment analysis, incorporating Renewable Energy Certificate (REC) costs into lifecycle energy cost. We have not adjusted these ranges from previous years, so there is no underlying "analysis of trends" to report.
22(h)	Management remuneration linked to climate-related risks and opportunities		Refer to the 'Climate Governance' section on page 5.

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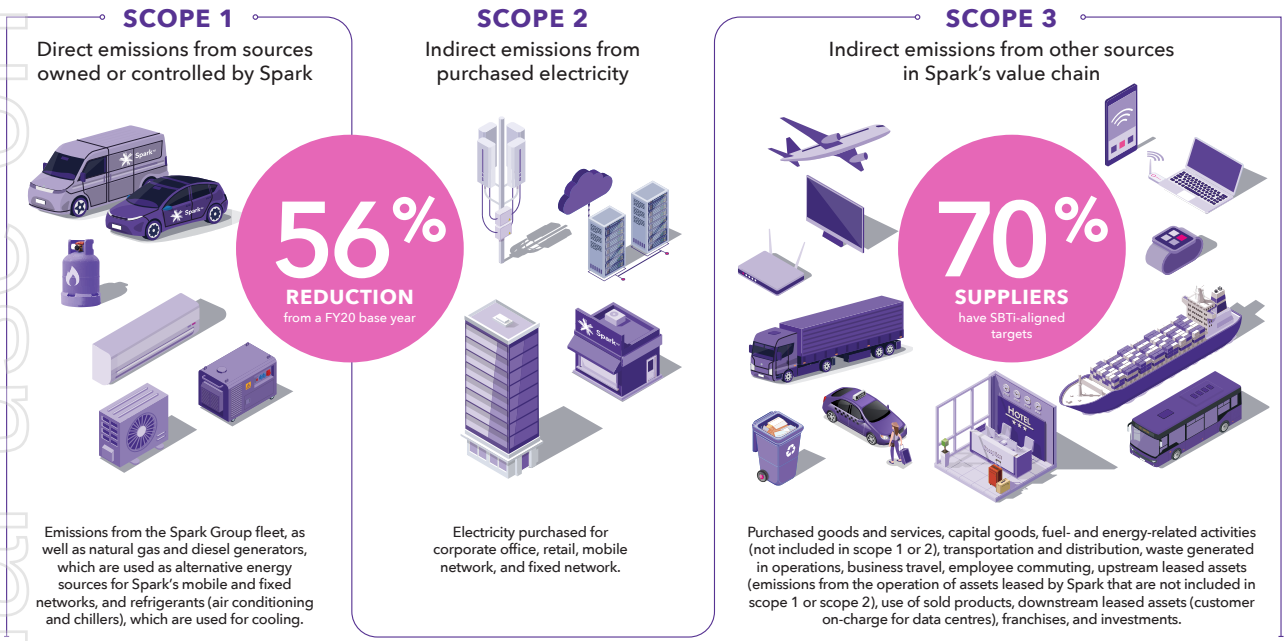
GHG emissions reporting approach

	Disclosure requirement	Approach
24(a)	GHG measurement/reporting standards	Our GHG Inventory report has been prepared in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol') and Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard (2011) ('the Corporate Value Chain')
24(b)	GHG consolidation approach	Operational control approach: A detailed description of consolidation approach is available on pages 45 – 46 under 'Organisational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report)
24(c)	Source of emissions factors and GWP rates	A detailed list of emissions factors and GWP rate sources is available for each scope/category in the tables on pages 48 – 56 under 'FY26 Emissions Source Inclusions', and under 'References' on page 57. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report)
24(d)	Summary of specific exclusions from emissions reporting	A detailed description of our reporting methodology and approach is available in on pages 47 – 56 under 'Operational boundary'. This is included in our GHG Inventory Report disclosure (Appendix 1 of this report)

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Our short-term emissions reduction target

Spark's scope 1, 2 and 3 emissions



Spark's emissions reduction target was verified by the Science Based Targets initiative (SBTi) in 2021. SBTi targets must include a strict absolute reduction target for Scope 1 and 2 emissions, and a separate Scope 3 target where Scope 3 emissions exceed 40% of a company's total footprint. Targets are set against sector-specific emissions trajectories. For the ICT sector, these pathways were developed with the International Telecommunications Union (ITU) based on projected growth and efficiency gains. SBTi sets the wording of verified targets in a common format requiring companies to "commit" to the target established. For Spark, this is as follows:

- Spark New Zealand commits to reduce absolute Scope 1 and 2 GHG emissions 56% by FY30 from a FY20 base year.
- Spark New Zealand commits that 70% of suppliers by spend (covering purchased goods and services, and capital goods) will have SBTi-aligned targets in place by FY26.

This means Spark is committed to pursuing these targets and is working towards them. For clarity, this is not a guarantee that we will meet them. Our Scope 1 and 2 target has been verified by SBTi as consistent with a 1.5°C pathway to FY30. We use a market-based approach to calculate base year emissions and track performance against the target. Our scope 3 supplier target is an engagement target, it does not directly require us to reduce our own emissions, but contributes to limiting warming to 1.5°C by requiring us to engage suppliers on setting their own science-based targets.

To achieve our target, we are pursuing emissions reductions within our direct value chain. Spark does not intend to use carbon offsets to meet our target, consistent with SBTi rules, which do not permit offsets to be counted against emission targets.

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Reviewing our emissions reduction targets

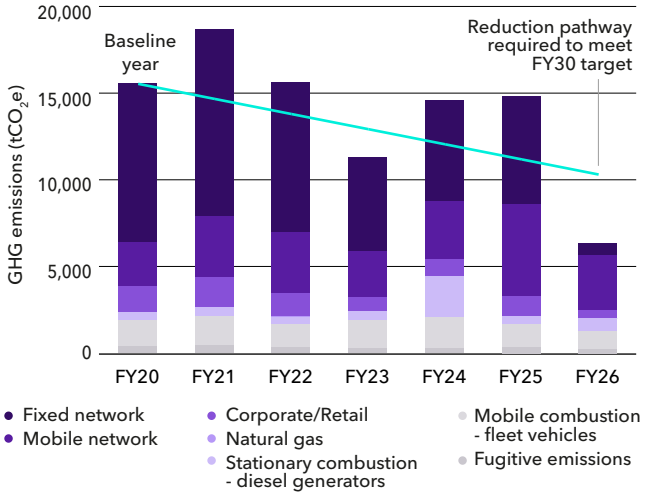
Under the GHG Protocol, a change in operational control over a significant asset requires a company to restate its historical emissions and review its baseline to reflect the new organisational boundary. Spark's sale of its data centre operations, sold to TenPeaks on 30 January 2026, triggered a rebaseline and a restatement of our Scope 1 and 2 figures for FY20–FY25.

Fuel use, refrigerant leaks, and electricity consumption previously associated with data centre operations have been removed from all reported years, as these emissions no longer sit within Spark's operational boundary. Emissions from shared co-location exchange sites are retained, as Spark continues to hold operational control over those assets. Our FY26 scope 1 and 2 reporting reflects the changed operational boundary, and we have also restated historical scope 1 and 2 emissions to reflect this change.

This rebaseline reduces our FY20 base year scope 1 and 2 emissions from 18,341 tCO_2e to 15,574 tCO_2e (-2,767 tCO_2e, 15%). This is a boundary adjustment, not a real-world reduction in emissions. (See the scope 3 section below for further information on our scope 3 target and reporting).

The percentage commitment underlying our SBTi target, a 56% reduction in Scope 1 and 2 emissions by FY30, is unchanged. However, applying that percentage to the restated FY20 base year revises our FY30 target from 8,070 tCO_2e to 6,853 tCO_2e. The lower absolute target reflects the smaller boundary, not reduced ambition, and we remain committed to a 56% reduction across the operations we control. We have self-assessed this rebaseline against SBTi's recalculation criteria and confirmed it aligns with all requirements, meaning we consider that revalidation by SBTi is not required.

Performance against our emissions reduction target (scope 1 and 2)



Our work in FY26 has provided greater certainty on the scope of our emissions reporting and targets. In last year's Climate-related Disclosures Report we stated that setting long-term reduction targets across Scope 1, 2 and 3 was a focus for FY26. This remains a focus for FY27, particularly as we have achieved our previous Scope 3 supplier engagement target, and we are required by SBTi to review our Scope 1 and 2 target after five years. This process will be informed by international guidance and Spark's contribution to New Zealand's 2050 net-zero goal.

Performance against our emissions reduction target

Please see pages 42–43 for our detailed scope 1, 2, and 3 disclosure tables which are contained within Appendix 1: our FY26 GHG Inventory Report.

Our emissions performance

Emissions reduction does not track in a straight-line trajectory and often occurs in step changes tied to specific initiatives. FY26 included a significant boundary change following the sale of our data centre operations to TenPeaks, effective 30 January 2026. As set out on page 40, our FY20 base year and historical scope 1 and 2 figures have been restated to reflect this new boundary. All FY26 scope 1 and 2 performance below is reported, and compared, on this restated and rebaselined basis.

We saw a significant reduction in scope 1 and 2 emissions in FY26, both against our previous year and against our FY20 baseline. Year-on-year emissions reduced 57%, and are now tracking 59% below our FY20 base year, ahead of our FY30 target of a 56% reduction.

Scope 2 emissions reduced 66% year-on-year. These emissions, related to electricity use which powers our networks and infrastructure, remains our largest overall source of emissions related to our direct operations, at 69% of our total scope 1 and 2 emissions. These emissions are influenced by several factors, including the national grid emissions factor, which decreased in the past year to 0.06202kg/kWh, from 0.10759 kg/kWh, a 42.4% decrease. This follows the winter energy crisis experienced in FY25, when reduced hydroelectric generation drove increased reliance on coal-fired generation to meet demand. In FY26, hydro generation recovered, reducing the need for coal and gas generation and easing pressure on the grid emissions factor. This meant the market-based emissions factor we use to report our scope 2 emissions reduced 41.8%. Our renewable energy partnership with Genesis also allowed us to decouple some of our market-based scope 2 emissions reporting from the residual grid emissions factor.

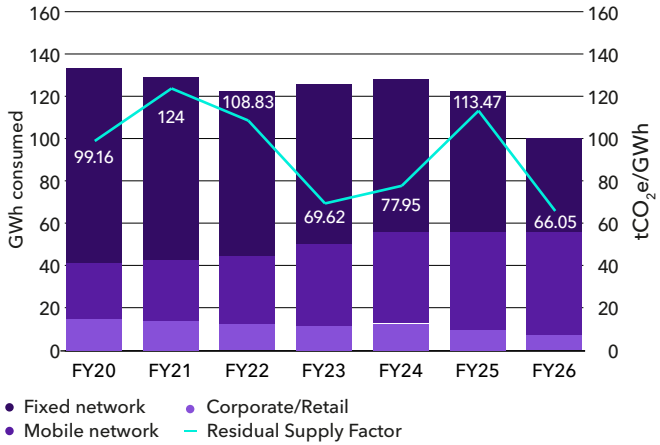
Scope 1 emissions: Fugitive emissions

Fugitive emissions increased 215 tCO_2e (+45%) year-on-year in FY26. This increase was primarily driven by a higher volume of reactive maintenance jobs logged against HVAC infrastructure across the site portfolio.

Scope 1 emissions: Our fleet

Fleet fuel emissions decreased 255 tCO_2e (-20%) year-on-year in FY26. While Entelar (a Spark subsidiary) remains the largest fuel consumer within the portfolio, its fuel emissions reduced this year. Our baseline for fleet emissions has not been restated to reflect the sale of the data centre business, as historical consumption cannot be reliably disaggregated from it, however, the impact of this has been assessed as immaterial.

Scope 2 emissions: Electricity consumption



Scope 2: Our electricity consumption performance

In the past year we have seen a decrease in electricity consumption linked to our scope 2 emissions. Our electricity consumption is down 18% from 122.4 GWh to 100.22 GWh. This decrease is largely due to the acceleration of our long-standing programme of network simplification, including the decommissioning of legacy equipment, such as the Public Switched Telephone Network (PSTN), which has driven year-on-year reductions in electricity use across our fixed network. These savings offset growth in other areas, such as our mobile network, which is increasing its energy use as we expand coverage of our 5G network.

We reported a 66% decrease in market-based scope 2 and a 53% reduction in location-based scope 2 emissions in FY26. This reduction was driven by a significant decrease in the relevant grid emissions factors, which were down from 0.11347 kg/kWh to 0.06605 kg/kWh and 0.10759 kg/kWh to 0.06202, a 41.8% and 42.4% reduction, respectively. The emissions intensity of the electricity we use is dependent on New Zealand's generation mix in any given period, specifically, the extent to which the grid draws on renewable sources such as hydro, geothermal, and wind, versus fossil fuels such as coal and gas. Following the reduced hydro generation experienced during the previous year's winter energy

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crisis, New Zealand's generation mix moved back towards renewables in FY26 as hydro output recovered, easing reliance on coal and gas.

Our strategy prioritises reducing energy consumption at the source, through network efficiency, infrastructure modernisation, and site-level energy reduction initiatives, as the most durable way to decouple our business growth from emissions growth. We complement this efficiency-first approach through our partnership with our energy partner, using our electricity procurement to support the development of new renewable energy generation in New Zealand.

Renewable energy partnership

Spark began its renewable energy partnership with Genesis Energy in FY25. The Lauriston solar farm started supplying the grid in early 2025, and Spark's energy use is now partly matched with new renewables through Renewable Energy Certificates.

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

This was the first reporting period Lauriston was generating for the entire 12 months. Spark retired the equivalent of 2,270 tCO_2e of RECs against its market-based scope 2 electricity emissions.

Scope 3 emissions

For FY26 Spark has not reported a fixed historical base year for its scope 3 inventory. Each year's scope 3 emissions are reported based on the methods and data available at that time, with no restatement of past periods as methodologies improve. This approach reflects ongoing enhancements in measurement, supplier classification, emission factors, and data quality, and aligns with our supplier engagement target, which is evaluated annually based on the current supplier base and spend. We intend to establish an absolute scope 3 emissions reduction target in FY27, at which point a fixed base year will also be determined.

Prior-year scope 3 figures are therefore presented as originally reported, under the methodology and data sources applicable at the time. As methodology continues to evolve, year-on-year movements in scope 3 emissions may reflect measurement improvements as well as changes in underlying emissions performance, and direct comparability between periods is therefore limited.

The majority of our scope 3 emissions relate to category 1 (purchased goods and services), which made up 79% of total scope 3 emissions in FY26. We calculate these emissions by analysing our spend across different categories and applying spend-based emissions factors. These factors reflect the emissions intensity of different industries, with higher factors applied to more emissions-intensive spend, such as construction, and lower factors applied to less emissions-intensive spend, such as software.

Reported Scope 3 emissions for FY26 totalled 144,726 tCO_2e, a decrease from the previously reported 212,909 tCO_2e in FY25. This reduction, following the earlier described methodology, results from the impact of operational and boundary changes made during the year. Changes that influenced our scope 3 inventory included the sale of the data centre business on 30 January 2026, a significant reduction in the residual grid emission factor of 42.2% compared to FY25, and reduced headcount. The largest category decrease was seen in purchased goods and services, which fell by 60,127 tCO_2e (a 35% drop), mainly due to reduced spending and less activity among suppliers with high emissions compared to FY25.

We also saw movements across other scope 3 categories. Emissions from upstream leased assets rose by 56%, while those from downstream leased assets fell by 83%, following the sale of the data centre business and the retirement of renewable energy certificates against a full year of our data centre customer's electricity consumption. Commuting related emissions declined due to a reduced workforce and a 3% shift towards more sustainable commuting

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options among our team members. Business travel emissions saw a slight uptick, with a 3% increase in international travel linked to our partnership arrangements, partially offset by decreased domestic and Trans-Tasman flights. Emissions associated with use-of-sold products also declined by 59% due to a lower grid emissions factor combined with a smaller number of products sold in FY26.

Ongoing improvements in scope 3 data collection

We are continually refining how we collect emissions data across various scope 3 categories. Many of these categories are complex and require elements of lifecycle analysis (LCA), such as assessing upstream manufacturing emissions, emissions during product use, and downstream emissions from products at end-of-life. In FY26, we partnered with Resilio Solutions, a lifecycle assessment platform, to enhance our analysis of product lifecycle emissions and raise the quality of available data for selected scope 3 categories.

Our initial analysis using this LCA-driven approach for annual category 11 (use of sold products) and category 12 (end-of-life treatment of sold products) emissions revealed substantial reductions in calculated emissions compared to our previous methodology, which relied on desktop research and estimation. Given the complexity of the data, and the challenges in assuring product lifecycle emissions data, we have not included these figures in our FY26 GHG Inventory Report and have instead used FY25 data as a proxy to determine average kWh consumption per item sold, and applied this to the volume of electricity-consuming products sold in FY26 to calculate category 11 emissions. We plan to incorporate this improved LCA-based data into our GHG inventory in future reporting periods.

Performance against our scope 3 supplier engagement target.

The close of FY26 marks the end point of our scope 3 spend-based target that 70% of our suppliers by spend covering purchased goods and services and capital goods will have SBTi-aligned targets in place by the end of 2026. Since establishing the target as part of our SBTi commitment, we have seen a steady increase in the percentage of our spend against suppliers (in scope 3 categories 1 and 2) with SBTi-aligned targets in place. In 2021 approximately 25% of our spend was against SBTi-aligned suppliers. For FY26 this has increased to 71%, achieving our target.

Of this 71%, the majority (63%) of spend is with suppliers with SBTi-validated targets, the gold standard for climate commitments. A further 8% is with suppliers with SBTi-aligned targets. These targets have not been validated through the SBTi, but we consider they match science-based criteria to align targets with international efforts to limit warming (i.e. against a 1.5°C pathway), focus on emissions reductions within the organisations and their value chains (i.e. they are not reliant on the purchase of carbon credits) and they include scope 3 emissions where these are material and relevant to the organisation.

Outside the organisations counted within our 71% we have a number of other suppliers taking meaningful climate action that doesn't fit science-based criteria. This includes suppliers that have adopted credible emissions reduction approaches, including energy reduction and renewable energy targets, and net zero targets that rely on emissions offsetting. Other organisations include suppliers where we already capture a significant proportion of related emissions in our own emissions reporting and SBTi-verified targets, such as our tower infrastructure partners, where the operational emissions from electricity use is captured within Spark's scope 2 reporting for mobile network.

Across our supply chain our membership of the global industry group, the Joint Alliance for CSR (JAC) initiative, has provided a platform to engage suppliers alongside other telecommunications companies with similar SBTi-verified supplier engagement targets. For more information on our approach to engaging suppliers on sustainability and ESG matters, refer to our **Modern Slavery and Human Rights Statement**.

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Appendices

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY26

About this report

This Appendix is the FY26 Greenhouse Gas Inventory Report for Spark New Zealand Limited ('Spark' and together with its subsidiaries, the 'Spark Group'). This Report covers the emissions for FY26 (the period of 1 July 2025 to 30 June 2026) and provides information about our baseline year (FY20 for scope 1 and 2) and comparative years (FY21–FY25). It has been prepared in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) ('the GHG Protocol') and Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard (2011) ('the Corporate Value Chain').

This report is dated 20 August 2026 and is signed on behalf of the Board of Spark New Zealand Limited by Justine Smyth, Chair



Justine Smyth, CNZM
Chair

Spark New Zealand Limited (NZX: SPK, ASX: SPK)

Our baseline year for reporting

FY20 remains our baseline year for reporting scope 1 and 2 emissions and forms the foundation of our Science Based Targets initiative (SBTi)-validated commitment to reduce these emissions by 56% by FY30.

In FY26, we made a structural change that impacted the boundaries and data quality of our emissions inventory:

- **Sale of data centre operations**. In January 2026, Spark sold operational control of its data centres to TenPeaks, retaining a 25% equity stake, triggering a restatement of our FY20 baseline.

Restatement and rebaseline triggers

Spark maintains a robust and transparent framework for reporting greenhouse gas emissions, consistent with the GHG Protocol Corporate Standard and Science Based Targets initiative (SBTi) requirements.

We distinguish between two related actions:

- Restatement – the recalculation of previously reported Scope 1, 2 and/ or 3 emission figures for one or more historical reporting years, to reflect a change in organisational boundary, underlying data, or calculation methodology.
- Rebaseline – the recalculation of the base year emissions figures used to track progress against Spark's SBTi approved emissions reduction target, ensuring that target progress remains measured on a consistent, like-for-like basis over time.

A restatement and/or rebaseline is triggered where one or more of the following occur, individually or cumulatively, and result in a change to reported emissions of 5% or more relative to base year emissions:

- Structural or operational changes (e.g. acquisitions, divestments, insourcing or outsourcing) impact emissions by 5% or more. (In FY26 Spark's data centre sale exceeded this).
- There are significant improvements in data availability, emissions factors, or calculation methodologies.
- Material errors are identified in previously reported data, whether identified individually or in aggregate.

Where a trigger is met, affected historical reporting years are restated, and where the base year itself is affected, Spark's SBTi base year is correspondingly rebaselined. Changes that fall below the 5% threshold are monitored but do not trigger restatement.

In FY26, we did not restate our scope 3 emissions. All scope 3 emissions are reported as they occurred during the year. Please see the 'Scope 3 approach to restatement and rebaseline' section below for more information.

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Sale of data centre operations

Impact of sale of data centre operations on scope 1 and 2 inventory

Under GHG protocol emission accounting rules, when a company divests operational control of a significant asset, it is required to go back and restate its emissions history and review its baseline to reflect the new boundary. The sale of our data centre operations has materially impacted our baseline emissions, triggering a rebaseline and restatement of our historical scope 1 and 2 figures.

Fuel use (diesel generator stationary fuel combustion), refrigerant leaks, and electricity consumption associated with data centres were previously under Spark's operational control. Following the sale, those emissions no longer sit within our operational boundary. The historical record for FY20 through FY25 has been adjusted accordingly, removing emissions attributed to data centre operations from every reported year. In a small number of sites where Spark and TenPeaks share space (co-location exchange sites), fuel use and refrigerant leaks have been retained in Spark's inventory, as Spark maintains operational control of those assets. This report reflects this new operational boundary.

The restatement reduces Spark's FY20 base year emissions from 18,341 tCO_2e to 15,574 tCO_2e, a reduction of 2,767 tCO_2e (15%), reflecting the removal of **scope 1 and 2 emissions** associated with the transferred data centre operations. This is not presented as a real-world reduction in emissions; rather, it is a boundary adjustment reflecting that those emissions now sit with TenPeaks rather than Spark.

Impact of sale of data centre operations on scope 1 and 2 target

Spark's science-based target, validated by the Science Based Targets initiative (SBTi), commits us to reducing Scope 1 and 2 emissions by 56% by FY30, from an FY20 base year. That percentage commitment is unchanged.

Following the sale of our data centre operations to TenPeaks on 30 January 2026, we have restated our FY20 base year to reflect our current organisational boundary, as SBTi and GHG Protocol requirements direct. The restated base year is 15,574 tCO_2e (previously 18,341 tCO_2e), which means the FY30 target becomes 6,853 tCO_2e (previously 8,070 tCO_2e).

The lower target reflects the smaller boundary, not reduced ambition. We remain committed to the 56% reduction across the operations we control against the restated baseline. We have assessed the change against SBTi's criteria and confirmed the restated target continues to meet the initiative's minimum ambition requirements, with no revalidation required.

Scope 3 approach to restatement and rebaseline

In contrast to Spark's treatment of Scope 1 and Scope 2 emissions, which have been restated to reflect the sale of our data centre operations to TenPeaks, Spark has not recalculated and restated the base-year emissions and comparative figures for Scope 3. This is due to limitations in the availability of historical data required to accurately calculate the emissions associated with the divested operation. Spark's FY26 Scope 3 emissions have been calculated using the best available data and methodologies available. Spark therefore plans to use FY26 as the new base year for Scope 3 emissions going forward.

Prior-year Scope 3 emissions continue to be presented as originally reported and have not been restated to reflect these methodological refinements or organisational changes. As a result, the year-on-year movement in Scope 3 emissions between FY25 and FY26 reflects both changes in underlying emissions performance and improvements in data quality, measurement approaches, and methodologies. Further information on these changes is provided on page 43.

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Renewable Energy Use and Certificate Retirement

Spark's renewable energy partnership with Genesis Energy commenced in January 2025. Through the partnership, a proportion of Spark's energy consumption is matched via Renewable Energy Certificates (RECs) with new renewable energy generated by the Lauriston solar farm. FY26 is the first full financial year of generation at the site.

Generation months were matched to the reporting period (July 2025 – June 2026). Each REC certifies that one megawatt-hour (MWh) of electricity was generated from a renewable source and fed into the New Zealand grid. To avoid double counting of renewable energy attributes, RECs are cancelled against energy users' site ICPs (Installation Control Points), which are the points at which sites connect to the grid.

During the reporting year, Spark retired 71,774 MWh of RECs against FY26 consumption. These were matched against data centre sites (up to 1 February 2026) and Fixed Network ICP consumption, prioritising 100% coverage of sites with data centre utilisation. As emissions are reported on a continuing-operations basis, RECs matched against data centre consumption are excluded from the reported figures, together with that consumption. At sites where an ICP serves both data centre and other Spark consumption, certificates are apportioned on the same basis as the underlying electricity consumption, with the data centre share excluded and the remainder retained.

Certificates are applied first to the electricity Spark oncharges to customers at relevant ICPs, and then to Spark's own electricity consumption at those sites. Certificates are only ever applied against consumption at the connection points they were cancelled for, and only up to the amount of electricity consumed there. Spark does not apply renewable attributes to consumption RECs were not matched against.

Where certificates did not fully cover fixed network electricity consumption for the period, the remainder is reported by applying the residual grid emissions factor.

Treatment of on-charged electricity – Scope 3

Some electricity used in our fixed network is on-charged to customers based on estimated kWh consumption. This is energy associated with powering customer-owned equipment that is hosted at Spark-operated sites. This estimated electricity consumption is used to report our emissions against Scope 3 Category 13 – downstream leased assets. We provide detail on this reporting methodology, including assumptions, estimations, and levels of uncertainty on page 55.

By retiring the RECs associated with the specific sites that host customer equipment, we can ensure that the energy consumed by customer-owned assets at these locations is accurately attributed to renewable energy sources for reporting purposes.

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Greenhouse gas emissions inventory

Scope 1 and 2 emissions

	Greenhouse gas emissions (tCO_2e)						
Scope / category	FY20 (SBTI baseline year)	FY21	FY22	FY23	FY24	FY25	FY26
Scope 1	**2,378**	**2,644**	**2,090**	**2,409**	**4,438**	**2,139**	**1,973**
Fugitive emissions	485	520	441	466	2,375	478	693
Mobile combustion – vehicle fleet	1,483	1,678	1,337	1,659	1,768	1,304	1,049
Stationary combustion – diesel generators	395	431	304	270	285	349	231
Natural gas combustion	15	15	8	14	10	8	<1
Scope 2 (Market based)	**13,196**	**16,086**	**13,579**	**8,761**	**9,983**	**12,726**	**4,352**
Corporate/Retail	1,450	1,722	1,361	799	989	1,106	464
Mobile network	2,589	3,535	3,546	2,687	3,350	5,325	3,211
Fixed network	9,157	10,829	8,672	5,275	5,644	6,295	677
Scope 2 (Location based)*	13,176	15,950	13,267	8,589	9,703	13,148	6,217
Total Scope 1 and 2 (Market based)	**15,574**	**18,730**	**15,669**	**11,171**	**14,420**	**14,865**	**6,325**
Total Scope 1 and 2 (Location based)	**15,554**	**18,594**	**15,357**	**10,998**	**14,141**	**15,287**	**8,190**

Notes:

See page 47 for more information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

We split our scope 2 market-based electricity reporting across three activity categories - Corporate/Retail, Mobile Network, and Fixed Network. These operational categories align with the ICT sector pathways developed with the International Telecommunications Union (ITU) in its guidance for setting a science-based emissions reduction target. Our market-based scope 2 emissions have fallen in FY26, including because of updated emissions factors and the retirement of RECs against fixed network scope 2 emissions (see page 35 for further explanation).

All figures are presented on a restated basis excluding the data centre operations transferred to TenPeaks. Renewable Energy Certificates were retired on an ICP-attributed basis, certificates attributed to the transferred sites are excluded together with the associated electricity consumption, while certificates attributed to retained sites remain applied as originally retired, with no reallocation between sites. See page 41 for more information.

Numbers may not sum due to rounding.

Scope 3 emissions

GHG Protocol Category	GHG emissions (tCO_2e) FY2024	FY2025	FY2026 (Baseline year)
Category 1: Purchased goods and services	358,987	174,214	114,087
Category 2: Capital goods	401	3,099	4,536
Category 3: Fuel-and energy-related activities	1,489	2,461	5,558
Category 4: Upstream transport and distribution	17,128	3,174	1,601
Category 5: Waste generated in operation	822	833	353
Category 6: Business travel	2,089	1,838	1,888
Category 7: Employee commuting	3,565	3,968	3,029
Category 8: Upstream leased assets	567	870	1,356
Category 9: Downstream transport and distribution	1,302	1,628	4,019
Category 11: Use of sold products	9,699	16,836	6,977
Category 12: End of life processing	N/A	585	4
Category 13: Downstream leased assets	1,176	2,760	472
Category 14: Franchises	338	370	297
Category 15: Investments	158	272	549
Total Scope 3 emissions (tCO_2e)	**397,721**	**212,909**	**144,726**

Notes:

Please see page 47 for information on methodologies and emission factors used to calculate and measure emissions and specific exclusions of sources.

Category 13 (Downstream Leased Assets): Reported emissions for FY25 and FY26 include emission reductions from the retirement of renewable energy certificates. See page 41 for more information.

Scope 3 emissions have not been restated to reflect the FY26 data centre sale to TenPeaks. See page 40 for more information.

Year-on-year movements in scope 3 emissions may reflect measurement and methodology improvements as well as changes in underlying emissions performance. Direct comparability between periods is limited. See page 49 and 55 for more information.

Category 8 (Upstream leased assets): FY26 includes, for the first time, emissions from data centre space leased by Spark, following the FY26 divestment of Spark's data centre assets to TenPeaks.

Category 15 (Investments): FY26 includes, for the first time, emissions from Spark's 25% equity share in TenPeaks, calculated using the equity share approach.

Numbers may not sum due to rounding.

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Greenhouse gas emissions by gas type

Scope / category	Greenhouse gas emissions (tCO_2e)	CO_2	CH_4	N_2O	HFC
Scope 1	**1973**	**1254**	**6**	**20**	**693**
Fugitive emissions	693	0	0	0	693
Mobile combustion – fleet fuel	1,049	1,024	5	20	0
Stationary combustion – diesel	231	230	1	<1	0
Natural gas combustion	<1	<1	0	0	0
Scope 2 (Market-based)	**4,352**	**4,211**	**133**	**7**	**0**
Corporate/Retail (Market-based)	464	449	14	1	0
Fixed Network (Market-based)	677	655	21	1	0
Mobile Network (Market-based)	3,211	3,107	98	5	0
Scope 2 (Location-based)	**6,217**	**6,016**	**190**	**10**	**0**

Notes:

Spark does not have emissions of SF_6, NF_3, or perfluorocarbons (PFCs). Scope 3 emissions are not broken down by individual gas type due to incomplete data. Totals may not add exactly due to rounding.

For Scope 2 market-based emissions, we apply the gas-by-gas breakdown from the Ministry's Scope 2 emissions factor proportionally to the residual mix emissions factor published by BraveTrace, to estimate the individual gas contributions.

Numbers may not sum due to rounding.

Scope 1 and scope 2 energy usage by type

	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Fugitive emissions	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vehicle fleet – premium petrol (litres)	60,079	60,387	24,624	26,235	29,258	16,414	1,643
Vehicle fleet – regular petrol (litres)	225,672	212,408	183,263	307,267	272,302	188,109	135,496
Vehicle fleet – diesel (litres)	197,756	245,046	240,181	309,282	392,537	304,286	271,400
Stationary combustion – Diesel generators (litres)	148,529	161,875	113,971	100,676	106,245	130,186	86,326
Natural gas combustion (kWh)	78,927	75,731	43,460	70,564	52,934	41,217	948
Corporate / Retail (GWh)	14.67	13.83	12.28	11.48	12.69	9.75	7.02
Mobile Network (GWh)	26.18	28.38	32.02	38.59	42.97	46.13	48.61
Fixed Network (GWh)	92.58	86.95	78.28	75.77	72.41	66.54	44.62

Notes:

Figures prior to FY26 are not included in the Deloitte assurance scope due to restatement from previously-reported data. Numbers may not sum due to rounding.

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Organisational Boundary

Our organisational emissions reporting boundary takes an operational control approach as defined by the GHG Protocol and includes Spark and its subsidiaries.

Spark New Zealand Limited is the parent entity of the Spark Group. Spark is publicly listed, and our issued shares are quoted on the New Zealand Stock Exchange (NZX) and Australian Securities Exchange (ASX). As at 30 June 2026 the Spark Group comprised 25 controlled entities.

More information on significant subsidiaries and controlled entities in the Spark Group as at 30 June 2026 (including ownership percentages and principal activity information) is available on pages 61, 95 and 120 of the Spark **FY26 Annual Report**.

Spark subsidiary inclusions

Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
Adroit Holdings Limited	Environmental IoT solutions	Included in Spark corporate reporting
Adroit IoT Limited	Environmental IoT solutions	Included in Spark corporate reporting
Adroit Research Limited	Environmental IoT solutions	Included in Spark corporate reporting
Entelar Group Limited	Telecommunications and IT infrastructure build, and maintenance services, and distribution and supply chain services	Scope 1: fleet, scope 2: corporate/retail, scope 3 categories 1-9, 11, 12
Gen-I Australia Pty Limited (Australia)	Provides international wholesale and outsourced telecommunications services	Excluded as no operational emissions
MATTR Limited (NZ)	Software company focused on decentralised identity and verifiable data	Scope 1: natural gas, scope 2: corporate retail, scope 3: category 3, 6, 7
MATTR Trading US, Inc	Software company focused on decentralised identity and verifiable data	Scope 3 category 1, category 2. No operational emissions outside spend
MATTR Trading Australia Pty Limited	Software company focused on decentralised identity and verifiable data	Scope 3 category 1. No operational emissions outside spend
Qrious Limited (NZ)	Data analytics business	Included in Spark corporate reporting
Revera Limited (NZ)	IT infrastructure and data centre provider	Electricity, business travel, fleet, refrigerants, purchased goods and services, capital goods, fuel-and-energy related activities, employee commuting, use of sold products, downstream leased assets
Spark Finance Limited (NZ)	Group finance company	Excluded as no operational emissions
Spark New Zealand Cables Limited (NZ)	Investment company	Included in Fixed Network Electricity (Scope 2)
Spark New Zealand Trading Limited (NZ)	Telecommunication and digital services company	Included in Spark corporate reporting

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Subsidiary company	Principal activity	Emissions reporting inclusions / exclusions
Spark Trustee Limited (NZ)	Corporate trustee entity	Excluded as no operational emissions
TCNZ Australia Investments Pty Limited	Australian operations	Excluded as no significant operational emissions
TCNZ (Bermuda) Limited	Holding company	Excluded as no operational emissions
TCNZ Financial Services Limited	Investment company	Excluded as no operational emissions
TCNZ (United Kingdom) Securities Limited	Holding / investment company	Excluded as no operational emissions
Teleco Insurance Limited	Group insurance company	Excluded as no operational emissions
Teleco Insurance (NZ) Limited	Mobile phone insurance	Excluded as no operational emissions
Telecom Capacity Limited (NZ)	Holding company	Excluded as no operational emissions
Telecom Enterprises Ltd	Investment company	Excluded as no operational emissions
Telecom New Zealand USA Limited (USA)	Provides international wholesale telecommunications services	Excluded as no significant emissions
Telecom Pacific Limited	Holding company	Excluded as no operational emissions
Telecom Southern Cross Limited (NZ)	Holding company	Excluded as no operational emissions
Telecom Wellington Investments Limited	Investment company	Excluded as no operational emissions

Computer Concepts Limited and Revera Limited were amalgamated into Spark New Zealand Trading Limited on 1 June 2026.

Investments in associates and joint ventures (at 30 June 2026)

Name	Type	Country	Ownership/ investment	Principal activity	Inclusion/exclusion
Flok Limited	Associate	New Zealand	37.7%	Hardware and software development	Excluded – no operational emissions
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network	Captured in Scope 1 and 2
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company	Excluded – no operational emissions
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband	Captured in Category 15 – Investments
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company	Excluded – no operational emissions
TenPeaks Holding Company	Associate	New Zealand	25%	Data centre infrastructure	Captured in Category 15 – Investments
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development	Excluded – no operational emissions

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Operational Boundary

In line with the GHG Protocol, Spark New Zealand categorises its GHG emissions into three distinct scopes:

Scope 1 – Direct emissions. These emissions arise from sources Spark owns or controls. These include fuel consumption from our fleet, refrigerant leakages, natural gas consumption and diesel top-ups for our generators.

Scope 2 – Indirect emissions from purchased electricity. This scope covers electricity consumption at Spark operated sites.

Scope 3 – Other indirect emissions. Scope 3 encompasses a broad range of emissions throughout Spark's value chain, both upstream and downstream. Based on the GHG Protocol's Value Chain Standard, Scope 3 includes 15 potential categories. We assess which categories are relevant to include in our GHG inventory by considering the nature and scale of emissions across our value chain, the availability and quality of activity data, relevance to stakeholders, our ability to influence emissions, and relevant sector-specific guidance.

Based on these criteria, the following categories are included in our inventory:

- Category 1: Purchased goods and services 78.8%
- Category 2: Capital goods 3.1%
- Category 3: Fuel- and energy- transmission and distribution 3.8%
- Category 4: Upstream transportation and distribution 1.1%
- Category 5: Waste generated in operations 0.2%
- Category 6: Business travel 1.3%
- Category 7: Employee commuting 2.1%
- Category 8: Upstream leased assets 0.9%
- Category 9: Downstream transportation and distribution 2.8%
- Category 11: Use of sold products 4.8%
- Category 12: End of life treatment of sold products <0.01%
- Category 13: Downstream leased assets 0.3%
- Category 14: Franchises 0.2%
- Category 15: Investments 0.4%

GHG emissions source exclusions

Scope 3 Category 10: Processing of sold goods is excluded from our inventory as Spark Group does not sell any unfinished products.

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FY26 Emission source inclusions

The majority of emission factors in Spark's greenhouse gas inventory are sourced from the Ministry for the Environment (MfE) and the UK Department for Environment, Food and Rural Affairs (DEFRA), both government-published sources of emission factors, supplemented by non-government-published sources BraveTrace and thinkstep-ANZ where these do not publish factors covering the relevant activity or category. All sources use global warming potential (GWP) values from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) to convert individual greenhouse gases into carbon dioxide equivalents (CO_2-e), ensuring methodological consistency regardless of source. BraveTrace and thinkstep-ANZ are established providers of emission factors widely used in New Zealand corporate reporting, and their factors are considered appropriate given this consistency with IPCC AR5 methodology and their use to fill specific gaps not covered by government-published datasets. For electricity specifically, BraveTrace is used in preference to government-published factors as it reflects the specific timeframe being reported on and accounts for renewable energy certificates retired within that period, providing a more accurate reflection on Spark's actual emissions impact.

Each emission source has been assigned a data quality tier reflecting its data and estimation uncertainty, from Tier 1 (metered or invoiced primary data, indicatively ±5%) through Tier 2 (activity data with published national emission factors, ±10%) and Tier 3 (estimated, extrapolated or proxy data or factors, ±15%) to Tier 4 (spend-based or survey-extrapolated data, ±20%). These percentages indicate the estimated range within which actual emissions may reasonably vary from the reported value due to data and methodological uncertainty. Ranges are indicative rather than statistically derived. Sources classified as Tier 1–2 represent 9% of total reported gross emissions; Tier 4 sources, principally spend-based Scope 3 categories, represent 89% and could vary by approximately ±20%, affecting the precision of category-level reporting rather than the overall emissions profile or trend.

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 1: Fugitive Emissions	Refrigerant leakage	Top-up method	Supplier reports, internal work orders, internal refrigerant asset register	MfE (2026), AR5 Refrigerants and other gases: R410A, R134A, R407F, R22, R32, R404A, R407C, The California Air Resources Board (2025), AR5 – R438A GWP	All Spark Group refrigerant recharges are included. Only captures known leaks, minor leaks may go unreported until recharge is required. We do not include fire extinguisher routine testing in our inventory due to lack of available data.	Moderate uncertainty – Refrigerant recharge data quality is dependent on what is collected and communicated to us by our supplier. To reduce this uncertainty, we cross-check against our internal work order reports. We continue to work with our supplier to strengthen this data source. Data quality tier: 3 (indicatively ±15%).
Scope 1: Stationary Combustion	Generator diesel consumption	Fuel-based method	Supplier invoices	MfE (2026) , AR5 – Stationary combustion fuel: Diesel	All Spark Group generator diesel top-ups are included.	Low uncertainty. Data quality tier: 2 (indicatively ±10%).

Appendix 1: Greenhouse Gas (GHG) Inventory Report FY26 (continued)

Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 1: Natural Gas	Natural gas consumption	Fuel-based method	Supplier invoices	MfE (2026), AR5 – Stationary combustion fuel: Natural gas (kWh)	All Spark Group gas consumption is included.	Low uncertainty. Data quality tier: 2 (indicatively ±10%).
Scope 1: Mobile combustion	Vehicle fleet fuel consumption	Fuel-based method	Supplier reports, internal fleet management reports	MfE (2026) , AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All fuel consumed by Spark Group fleet is included. Our inventory does not include personal vehicle use for business.	Low uncertainty. Data quality tier: 2 (indicatively ±10%).
Scope 2: Electricity (Market-Based)	Electricity usage	Market-based method	Supplier invoices	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5, applied to consumption not covered by RECs	All electricity used by Spark Group is included, presented on a continuing-operations basis. Renewable Energy Certificates (RECs) from the Lauriston solar farm, retired through Spark's partnership with Genesis Energy, are applied to consumption at the ICPs against which they were cancelled, and only up to the amount of electricity consumed there. The BraveTrace Residual Supply Factor is applied to remaining consumption. RECs matched against data centre consumption are excluded together with that consumption; at ICPs serving both data centre and other Spark consumption, certificates are apportioned on the same basis as the underlying electricity consumption.	Low uncertainty. At ICPs serving both data centre and other Spark consumption, the FY26 consumption split is based on metered data and restated comparative periods use estimated splits. Data quality tier: 2 (indicatively ±10%); restated-period mixed-ICP splits are Tier 3 (indicatively ±15%).
Scope 2: Electricity (Location-Based)	Electricity usage	Location-based method	Supplier invoices	BraveTrace (2025/2026) National Grid Factor (Interim) – AR5	All electricity used by Spark Group is included, presented on a continuing-operations basis excluding the transferred data centre operations.	Low uncertainty. Data quality tier: 2 (indicatively ±10%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 1 – Purchased goods and services	Extraction, production, and transportation of goods and services purchased in FY26	Spend-based method	Internal spend transaction reports, call centre electricity consumption report	ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied, Carbon Database Initiative (2026), AR5 (derived from DEFRA 2025 factors) – Philippines national grid factor	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain representative. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, only by supplier industries. We will continue collaborating with our Finance, Data and Procurement teams to improve the completeness, accuracy and robustness of this data. Data quality tier: 4 (indicatively ±20%).
Scope 3: Category 2 – Capital goods	Extraction, production, and transportation of capital goods acquired in FY26	Spend-based method	Internal supplier spend transaction reports	ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain representative. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, only by supplier industries. We will continue collaborating with our Finance, Data and Procurement teams to improve the accuracy and robustness of this data. Data quality tier: 4 (indicatively ±20%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 3 – Fuel and energy transport and distribution	Extraction, production, and transportation of fuels and energy purchased in FY26, not already accounted for Scope 1 and 2	Fuel-based method	Supplier reports, internal spend transaction reports	MfE (2026), AR5 – Transmission and Distribution losses: Natural Gas used (kWh) and Electricity used, DEFRA (2026), AR5 – WTT Fuel,ThinkStep (2025) EEIO factors, AR5 – 2026 Q1 Inflation applied	All Spark Group fuel, gas and electricity transmission and distribution included	Low uncertainty. Data quality tier: 2 (indicatively ±10%).
Scope 3: Category 4 – Upstream transportation and distribution	Transportation and distribution of goods to Spark Group	Spend-based method	Internal spend transaction reports	ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain representative. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, only by supplier industries. We will continue collaborating with our Finance, Data and Procurement teams to improve the completeness, accuracy and robustness of this data. Data quality tier: 4 (indicatively ±20%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 5 – Waste generated in operations	Landfill disposed of by Spark corporate employees and e-Waste recycled from operations	Average-data method and weight based method	Service provider reports, HR FTE report by location, internal spend transaction reports	MfE (2026), AR5 – Waste-to-landfill with gas recovery – Unknown composition: Office waste, e-Waste processing emission factor source – AR5, ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied, e-Waste supplier climate impact report	Uses an estimate of total waste-to-landfill based on assumed kg per Spark FTE at 50 Albert Street. This assumes waste generation patterns at 50 Albert Street are representative of all Spark employees. To capture any ad-hoc waste collection, spend based methodology has been applied for spend associated with suppliers are categorised as waste collection and disposal services. E-waste processing emissions are excluded.	Moderate – high uncertainty due to using an estimated waste-to-landfill per person derived from a single corporate building. We will continue to work with our internal service provider to get more robust data for collections outside of 50 Albert Street. We do not account for the carbon-positive benefits of e-Waste recycling in this calculation, only the process emissions. Data quality tier: 3 (indicatively ±15%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 6 - Business travel	Air travel, hotel stays, travel in rental cars, taxis for business use	Distance-based method and spend-based method is applied	Supplier reports Internal spend transaction reports	MfE (2026), AR5 – Rental car -petrol default, Taxi travel – regular dollars spent, Hotel stays (country applied), Air travel with radiative forces – domestic national average, shorthaul economy class, shorthaul business class, shorthaul average, longhaul economy class, longhaul premium economy class, longhaul business class, longhaul first class. Where country of hotel stay is not in MfE database, we utilise hotelfootprints.org to determine emissions associated with the stay; these emissions are based on AR6 GWP values. ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied	Includes all of Spark Group business travel.	Low – medium uncertainty. Uncertainty increased where spend-based method is required due to lack of specific travel data. Data quality tier: 2 for distance-based components and 4 for spend-based components (indicatively ±10% and ±20% respectively).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 7 – Employee commuting	Employee commuting	Average-data method	Survey data, HR FTE report by location	MFE (2026), AR5 – Public transport national averages, private car default factors, Motorcycle >600 cc petrol	Includes an estimate of employee commuting emissions for all employees. We did not include part time, contract staff or those who are assigned to work from home. We assumed total annual working hours, accounting for sick and annual leave entitlements. We used HR FTE report by location as at 30 June 2026, providing a point in time snapshot and may not accurately represent the full reporting period.	High uncertainty due to estimates and assumptions made from our survey responses (27% of total FY26 FTE). We will continue to survey our people, aiming to increase response rate year-on-year. Data quality tier: 4 (indicatively ±20%).
Scope 3: Category 8 – Upstream leased assets	Electricity usage at leased sites by Spark assets	Average-data method, activity- data method	Supplier invoices, internal spend transaction reports, TenPeaks DCIM data	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5	Includes estimated electricity consumption of leased mobile sites. Due to the diversity of these sites, there may be some overestimation of kWh consumption. For Spark internal data centre workload at external sites, calculation includes Spark's IT load (kWh, sourced from TenPeaks DCIM data) at TenPeaks-operated sites, multiplied by the applicable site Power Usage Effectiveness (actual where available, or an assumed 1.6 where not), then multiplied by the applicable NZ grid emission factor.	Moderate uncertainty – For leased mobile sites, there is moderate uncertainty due to inability to determine the exact size of assets on leased sites. Internal workload data relies on TenPeaks-provided DCIM data, completeness and accuracy depend on TenPeaks' own reporting and controls. Data quality tier: 3 (indicatively ±15%).
Scope 3: Category 9 – Downstream transportation and distribution	Transportation and distribution of goods from Spark Group	Spend-based method	Internal spend transaction reports	ThinkStep (2024) EEIO factors, AR5 – 2026 Q1 Inflation applied	Emission factors used may not be the most representative for all types of goods and services purchased due to Supplier-based categorisation. Due to the nature of our billing data and reliance on supplier categorisation, it is not always possible to clearly distinguish between certain Scope 3 categories. As a result, emissions reported under Categories 1, 2, 4, and 9 may include overlapping activities or data from one another. This may affect the precision of category-level reporting, though total emissions remain representative. Expenditure related to individuals, intercompany transactions or general ledger codes not directly associated with the purchase of goods and services was excluded.	High uncertainty due to the emission factors applied and our current inability to categorise spending by specific purchased goods and services, only by supplier industries. We will continue collaborating with our Finance, Data and Procurement teams to improve the completeness, accuracy and robustness of this data. Data quality tier: 4 (indicatively ±20%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 11 – Use of sold products	Emissions associated with use phase of electricity-consuming products sold by Spark	Average-data method	FY25 Internal sold product reports, FY26 Internal sold product reports, Manufacturer product reports	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5	For FY26 we used FY25 product level energy consumption data as a proxy, applied to FY26 sales volumes. Using the total estimated use-phase kWh for FY26, we applied the Bravetrace residual supply factor to estimate emissions associated with the use of sold products. Data was available for 11 of 12 months in FY26, the final month was extrapolated from the available trend to estimate full-year coverage.	Data is based on FY25 data as a proxy for FY26 due to complexity in assurance process. This may not fully reflect changes in product mix, energy efficiency and usage patterns between FY25 and FY26. We plan to refine this methodology in future reporting periods. Data quality tier: 4 (indicatively ±20%).
Scope 3: Category 12 – End-of-life treatment of sold products	Emissions associated with the treatment and disposal of electronic products sold by Spark	Average-data method	FY25 Internal sold product reports, FY26 Internal sold product reports, Manufacturer product reports	DEFRA (2026) – Waste Disposal – Electrical Items – WEEE: Small, Open-loop emission factor (AR5), DEFRA (2026) – Waste Disposal – Electrical Items – WEEE: Small, Landfill emission factor (AR5), Global E-Waste Monitor (2024) end of life e-Waste treatment split	For FY26 we used FY25 product level weight data as a proxy, applied to FY26 sales volumes. Using the total estimated mass for FY26 products sold, we applied DEFRA small electronic emission factors to e-Waste treatment split assumptions from the Global E-Waste Monitor 2024. Data was available for 11 of 12 months in FY26, the final month was extrapolated from the available trend to estimate full-year coverage.	Data is based on FY25 data as a proxy for FY26, and end of life treatment assumptions (22% recycling, 78% landfill split) are based on global external reference data rather than Spark-specific tracking of product disposal outcomes. This may not fully reflect actual end-of-life pathways for Spark's specific product range. We plan to refine this methodology in future reporting periods. Data quality tier: 4 (indicatively ±20%).
Scope 3: Category 13 – Downstream leased assets	Electricity on-charged to Spark Group data centre customers	Average-data and activity-data method	Customer on-billing reports, Smart Power report	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5	All customer electricity on-charge is captured. For customers with data centre consumption in our exchange sites, kWh is derived from the average input power of their equipment multiplied by hours in the month, or from invoiced cost at an average price per kWh.	Medium – high uncertainty. Because consumption is derived by average input power of their equipment or their invoice, there is a risk of over- or under-estimating individual customer consumption profiles. Data quality tier: 3 (indicatively ±15%).
Scope 3: Category 14 – Franchises	Electricity usage and fuel consumption of Spark Business Hubs	Activity-data method	Supplier reports, Business hub electricity reports	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5, MfE (2026), AR5 – Transport fuels: Regular petrol, Premium petrol, Diesel	All Spark Business Hubs are included.	Low uncertainty. Data quality tier: 2 (indicatively ±10%).

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Scope / Category	Activity	Calculation method	Activity data source	GWP / Emission factor source	Assumptions / estimations	Level of uncertainty
Scope 3: Category 15 – Investments	Electricity and diesel consumption of Rural Connectivity Group (RCG) Electricity consumption of TenPeaks (without Spark internal workload) Diesel consumption of TenPeaks, Refrigerant top-ups of TenPeaks	Activity-data method	RCG electricity and diesel report, TenPeaks electricity, diesel and refrigerant reporting	BraveTrace (2025/2026) Residual Supply Factor (Interim) – AR5	33% of Rural Connectivity Group's total FY26 electricity and diesel consumption has been included. Investment in Southern Cross cable is captured in our scope 2. Category 15 (TenPeaks component) is calculated as 25% of TenPeaks' total Scope 1 and Scope 2 emissions, excluding (i) Spark internal workload electricity reported under Category 8 and (ii) diesel and refrigerant emissions at co-located exchange sites, which remain within Spark's Scope 1 under Spark's operational control. The completeness of this category relies on the completeness of investee reporting.	Low-moderate uncertainty. The completeness of this category relies on investee reporting. Data quality tier: ±10%

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Independent Limited Assurance Report on Selected Greenhouse Gas ('GHG') Disclosures and the GHG Inventory Report included within the Group Climate Statements (also referred to as 'Climate-related disclosures')

To the Shareholders of Spark New Zealand Limited

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the gross GHG emissions, additional required disclosures of gross GHG emissions, and gross GHG emissions methods, assumptions and estimation uncertainty, within the scope of our engagement (as outlined below), included in the Climate-related Disclosures Report FY26 of Spark New Zealand Limited (the '**Company**') and its subsidiaries (the '**Group**') for the year ended 30 June 2026 (the '**Selected GHG Disclosures**'), are not fairly presented and not prepared, in all material respects, in accordance with *Aotearoa New Zealand Climate Standards* ('**NZ CSs**') issued by the External Reporting Board ('**XRB**'); and
- the Greenhouse Gas Inventory Report included as Appendix 1 to the Group Climate Statements for the year ended 30 June 2026 (the '**GHG Inventory Report**'), is not prepared in all material respects, in accordance with the requirements of the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* (the '**Applicable Criteria**'). For scope 3 emissions the Applicable Criteria includes the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*.

Scope of assurance engagement

We have undertaken a limited assurance engagement over the following Selected GHG Disclosures prepared in accordance with NZ CSs, that is required to be the subject of an assurance engagement per section 461ZH of the Financial Markets Conduct Act 2013 ('**FMCA**').

Subject matter: Selected GHG Disclosures	Reference
GHG emissions: gross emission in metric tonnes of Carbon dioxide equivalent ('**CO_2e**') classified as: • Scope 1 • Scope 2 (calculated using the location-based method) • Scope 3	Page 31, Appendix 1 Pages 42 – 43
Additional requirements for the disclosure of gross GHG emissions per paragraph 24 (a) to (d) of Aotearoa New Zealand Climate Standard 1: *Climate-related Disclosures* ('**NZ CS 1**'), being: • The statement describing the GHG emissions have been measured in accordance with the requirements of the Applicable Criteria; • The statement that the GHG emissions consolidation approach used is operational control; • Sources of emission factors and the global warming potential ('**GWP**') rates used or a reference to the GWP source; and • The summary of specific exclusions of sources, including facilities, operations or assets with a justification for their exclusion.	Pages 33, Appendix 1 Pages 39, 45 – 46, 48 – 56

Subject matter: Selected GHG Disclosures	Reference
Disclosures relating to GHG emissions methods, assumptions and estimation uncertainty per paragraphs 52 to 54 of Aotearoa New Zealand Climate Standard 3: *General Requirements for Climate-related Disclosures* ('**NZ CS 3**'): • Description of the methods and assumptions used to calculate or estimate GHG emissions, and the limitations of those methods. • Description of uncertainties relevant to the Group's quantification of its GHG emissions, including the effects of these uncertainties on the GHG emissions disclosures. • Explanation for base year GHG emissions restatements, where applicable.	Pages 35, Appendix 1 Pages 48 – 56

In addition, we have undertaken a limited assurance engagement in relation to the GHG Inventory Report of the Group, comprising the emissions inventory and the explanatory notes set out on in Appendix 1 on pages 39-57 to the Group Climate Statements for the year ended 30 June 2026. The GHG Inventory Report is based on historical information and provides further disclosures about the GHG emissions of the Group for the year ended 30 June 2026 to meet the requirements of the Applicable Criteria, in addition to the minimum disclosure requirements of NZ CSs.

Our limited assurance engagement does not extend to any other information included, or referred to, in the Group Climate Statements on pages 3 to 38 or the Annual Report for the year ended 30 June 2026. We have not performed any procedures with respect to the excluded information and, therefore, no conclusion is expressed on it.

Other matter – comparative information

The comparative information, being the FY24, FY23, FY22, FY21 and FY20 Group's Selected GHG Disclosures on pages 42-44 have not been the subject of an assurance engagement undertaken in accordance with New Zealand Standard on Assurance Engagements 1: *Assurance Engagements over Greenhouse Gas Emissions Disclosures* ('**NZ SAE 1**').

These disclosures are not covered by our assurance conclusion.

Director's responsibilities

Directors are responsible for the preparation and fair presentation of the Selected GHG Disclosures in accordance with NZ CSs, which includes determining and disclosing the appropriate standard or standards used to measure its GHG emissions. In addition, the Directors are responsible for the preparation of the GHG Inventory Report included as Appendix 1 to the Group Climate Statements in accordance with the requirements of the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report that are free from material misstatement whether due to fraud or error.

Inherent uncertainty

Non-financial information, such as that included in the Group Climate Statements, is subject to more inherent limitations than financial information, given both its nature and the methods used and assumptions applied in determining, calculating and sampling or estimating such information. Specifically, as discussed in Appendix 1, pages 48 -56 of the Group Climate Statements, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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As the procedures performed for this engagement are not performed continuously throughout the relevant period and the procedures performed in respect of the Group's compliance with NZ CSs and/or the requirements of the Applicable Criteria are undertaken on a test basis, our limited assurance engagement cannot be relied on to detect all instances where the Group may not have complied with the NZ CSs or the requirements of the Applicable Criteria. Because of these inherent limitations, it is possible that fraud, error or non-compliance may occur and not be detected.

In addition, we note that a limited assurance engagement is not designed to detect all instances of non-compliance with the NZ CSs or the requirements of the Applicable Criteria, as it generally comprises making enquires, primarily of the responsible party, and applying analytical and other review procedures.

Our responsibilities

Our responsibility is to express an independent limited assurance conclusion on the Selected GHG Disclosures and GHG Inventory Report, based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with NZ SAE 1 and the International Standard on Assurance Engagements (New Zealand) 3410: *Assurance Engagements on Greenhouse Gas Statements* issued by the XRB ('**ISAE (NZ) 3410**'). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Selected GHG Disclosures and GHG Inventory Report are free from material misstatement.

Our independence and quality management

We have complied with the independence and other ethical requirements of NZ SAE 1, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the following professional and ethical standards:

- Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*;
- Professional and Ethical Standard 3: *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements; and
- Professional and Ethical Standard 4: *Engagement Quality Reviews*.

In addition to this engagement, we carried out other engagements including the audit of the annual financial statements, review of the interim financial statements, agreed upon procedures in relation to the sustainability linked loans and assurance services relating to regulatory audit requirements. We also provided non-assurance services including an HR Business Partner training programme, tax advisory services and administrative and other advisory services provided to the Corporate Taxpayers Group, of which the Group is a member.

The Chief Executive has extended family members who are partners at Deloitte and who are not involved in the provision of any services to the Group; this matter has not impacted our independence. Also, the firm, its partners and employees deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

As we are engaged to form an independent conclusion on the Selected GHG Disclosures and GHG Inventory Report prepared by the Group, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

Summary of work performed

Our limited assurance engagement was performed in accordance with NZ SAE 1 and ISAE (NZ) 3410. This involves assessing the suitability in the circumstances of Group's use of NZ CSs and the Applicable Criteria as the basis for the preparation of the Selected GHG Disclosures and the GHG Inventory Report respectively, assessing the risks of material misstatement of the Selected GHG Disclosures and GHG Inventory Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Selected GHG Disclosures and the GHG Inventory Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. In undertaking our limited assurance engagement on the Selected GHG Disclosures and the GHG Inventory Report, we:

- Obtained, through inquiries, an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Selected GHG Disclosures and GHG Inventory Report. We did not evaluate the design of particular control activities or obtain evidence about their implementation.
- Evaluated whether the Group's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Undertook site visits as deemed necessary to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites.
- Tested, at each site visited, a limited number of items to, or from, supporting records, as appropriate.
- Performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified.
- Considered the presentation and disclosure of the Selected GHG Disclosures and the GHG Inventory Report.

Our report does not cover any forward-looking statements made by the Group, any external references or hyperlinked documents.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Selected GHG Disclosures and the GHG Inventory Report are fairly presented and prepared, in all material respects, in accordance with NZ CSs or the requirements of the Applicable Criteria respectively.

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Use of our Report

Our limited assurance report ('**our Report**') is intended for users who have a reasonable knowledge of GHG related activities, and who have studied the GHG related information in the Group Climate Statements with reasonable diligence and understand that the Selected GHG Disclosures and the GHG Inventory Report are prepared and assured to appropriate levels of materiality.

Our Report is made solely to the Company's shareholders, as a body. Our limited assurance engagement has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our work, for our Report, or for the conclusions we have formed.

Deloitte Limited

Melissa Collier, Partner
for Deloitte Limited

Auckland, New Zealand
20 August 2026

This limited assurance report relates to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements for the year ended 30 June 2026 included on the Group's website. The Directors are responsible for the maintenance and integrity of the Group's website. We have not been engaged to report on the integrity of the Group's website. We accept no responsibility for any changes that may have occurred to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements since they were initially presented on the website.
The limited assurance report refers only to the Selected GHG Disclosures and the GHG Inventory Report included within the Group Climate Statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these disclosures. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the copy of the Group Climate Statements lodged with the New Zealand Companies Office and available in the Climate-related Disclosures Register that include the Selected GHG Disclosures and GHG Inventory Report and related limited assurance report dated 20 August 2026 to confirm the information presented on this website.

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Appendix 3: Glossary

- **NZ CS1 / CS2 / CS3**: New Zealand Climate Standards 1, 2, and 3 – These are climate-related disclosure standards published by the External Reporting Board (XRB) of New Zealand. They set out the requirements for climate-related disclosures for entities operating in New Zealand, with NZ CS1 covering climate-related disclosures, NZ CS2 outlining the adoption of climate standards, and NZ CS3 addressing general requirements for climate-related financial disclosures.
- **XRB**: External Reporting Board – An independent Crown entity responsible for accounting and auditing standards in New Zealand, including the development of climate and sustainability reporting frameworks.
- **IPCC**: Intergovernmental Panel on Climate Change – The United Nations body responsible for assessing the science related to climate change, providing comprehensive reports on climate science, impacts, and potential response strategies.
- **SSPs**: Shared Socioeconomic Pathways – Scenarios developed to explore how different socioeconomic developments may affect future climate change, used in climate modelling and policy analysis.
- **NIWA**: National Institute of Water and Atmospheric Research – New Zealand's leading environmental science research institute, providing climate, freshwater, and marine research and data. (In 2025 NIWA merged with GNS Science to become Earth Sciences New Zealand.)
- **RCPs**: Representative Concentration Pathways – Greenhouse gas concentration trajectories adopted by the IPCC for climate modelling and research, each representing different climate futures, depending on how much greenhouse gases are emitted in the years to come.
- **CCC**: Climate Change Commission (New Zealand) – An independent Crown entity that provides expert advice and monitoring to the New Zealand Government on climate change action, including emissions reduction and adaptation strategies.
- **NOC**: Network Operations Centre – A central location from which IT professionals monitor, manage, and maintain telecommunications or computer networks, ensuring operational stability and efficiency.
- **GRI**: Global Reporting Initiative – An independent international organisation that provides the world's most widely used standards for sustainability reporting, helping organisations understand and communicate their impacts on issues such as climate change and human rights
- **GHG**: Greenhouse Gas – Gases that trap heat in the atmosphere, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases, contributing to global warming and climate change.
- **tCO_2e**: Tonne of carbon dioxide equivalent – A standard unit for measuring carbon footprints, representing the amount of CO_2 that would have the same global warming potential (GWP100) as one tonne of another greenhouse gas.
- **kWh**: Kilowatt hour – A measure of electrical energy equivalent to consuming 1,000 watts for one hour.
- **GWh**: Gigawatt hour – A unit of energy equal to one billion (1,000,000,000) watt hours or one million kilowatt hours.
- **Integrated Reporting** – A process that results in periodic integrated reports by an organisation about value creation over time, combining financial and non-financial data, such as environmental, social, and governance (ESG) information.
- **SBTi**: Science Based Targets initiative – A global body that helps organisations set greenhouse gas emissions reduction targets that are in line with the latest climate science and the goals of the Paris Agreement.
- **Scope 1**: Direct greenhouse gas emissions from owned or controlled sources, such as emissions from company vehicles or on-site fuel combustion.
- **Scope 2**: Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the reporting company.

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- **Scope 3**: Other indirect greenhouse gas emissions that occur in a company's value chain, such as emissions from purchased goods and services, transportation, waste disposal, business travel, and investments.
- **TCF**: Telecommunications Forum – An industry body representing New Zealand's telecommunications sector. The TCF works collaboratively with industry participants to develop standards, codes of practice, and solutions that promote a fair, competitive, and innovative telecommunications environment for consumers and providers across New Zealand.
- **ESG**: Environmental, Social, and Governance – A set of criteria and standards for a company's operations that socially conscious investors use to screen potential investments.
- **SBTi-validated target**: An emission reduction target that has been reviewed and approved by the Science Based Targets initiative as being consistent with climate science and the goals of the Paris Agreement.
- **Paris Agreement**: An international treaty adopted in 2015 within the United Nations Framework Convention on Climate Change (UNFCCC) aiming to limit global warming to well below 2°C, preferably to 1.5°C, compared to pre-industrial levels.
- **JAC**: Joint Alliance for CSR (Corporate Social Responsibility) – A global industry association that brings together telecommunications operators for collaborative supplier engagement on sustainability and CSR topics.

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Contact details

Spark New Zealand Limited
Private Bag 92028
Auckland 1142
New Zealand

www.sparknz.co.nz