Spark Shareholder Update

November 2026

Welcome to our shareholder newsletter

Our full- and half-year results provide the formal milestones for reporting on our performance and our progress against our five-year strategy SPK-30 – but we also want to give shareholders a clear view of the progress we are making in between. To that end, this newsletter provides an overview of the momentum we have built across the business during the first three months of FY27.

We intend to release two shareholder newsletters annually, released in-between both reporting periods. While these newsletters will not provide a formal trading update, they will overview progress against key strategic priorities. We hope you find the newsletter useful and we welcome your feedback.

Strategy progress in first three months of FY27

The first three months of FY27 have reinforced the priorities Spark set under our five-year business strategy, SPK-30. Mobile service revenue remains strong, following a return to growth in FY26, network leadership has strengthened, and new propositions across mobile devices, distribution, and household connectivity are now in market. As we shared at our ASM, FY27 guidance remains unchanged.

These are early steps in SPK-30, but together they show the strategy taking shape – growing our core connectivity business by attracting more people to Spark, increasing the value of each relationship, and giving our loyal customers more reasons to stay.

The broader economic backdrop also reinforces the importance of Spark's focus on disciplined growth in our core business. While New Zealand's economy is gradually recovering, both households and businesses remain cautious. Consumer confidence has improved from the lows of recent years but remains below long-run averages, reflecting ongoing pressure on household budgets and careful spending decisions. Business confidence has strengthened as expectations for economic growth improve, however many organisations continue to prioritise productivity, efficiency, and value for money in their investment decisions.

With households and businesses remaining focused on value, we are concentrating investment where we can differentiate and earn appropriate returns. Mobile is the primary growth priority, complemented by broadband and business connectivity, and enabled by network leadership and better customer experiences. At the same time, we are applying AI and automation to improve customer experience, productivity and reduce costs across the business.

Alongside this, we are reviewing the future of our Digital Services businesses – spanning cloud, IT services, data and AI – to determine how we can create the greatest long-term value for our shareholders. The review is intended to determine the ownership and operating structure most likely to support the growth of these businesses, while ensuring Spark remains focused on growth in our core business.

Industry developments and our network focus

There have been several developments across the telecommunications sector in recent months. One NZ and 2degrees have proposed combining their radio access network infrastructure in a jointly owned wholesale business. This would entail a significant change to industry structure and needs to be carefully considered. The proposal remains subject to Commerce Commission and Overseas Investment Office approvals, and those processes will need to run their course.

In the meantime, our focus remains on our own strategy and delivering better network experiences for our customers. Our network leadership across 5G, coverage and download speed, enabled by our investments in radio access network infrastructure, spectrum holdings, core network capability, global technology partnerships, and operational expertise, gives us a strong platform to execute SPK-30.

In June this year the Government announced its intended approach to renewing spectrum rights in the 2300MHz and 2600MHz bands. As we said at the time, we do not expect the proposed changes to have a material direct impact on our operations. We do, however, continue to advocate for clear and predictable settings that support sustained, long-term investment, and will continue to engage constructively once a new Government is formed.

Satellite is another important development in the connectivity landscape. We see satellite as complementary to our mobile network – broadening coverage and resilience in remote areas and blackspots – rather than a replacement for our terrestrial network. Our mobile network still has significant competitive advantages over satellite, including the customer density it can carry, its performance indoors, and the throughput required for everyday use. Together with Spark's extensive spectrum holdings, these capabilities establish our competitive advantage and strengthen our role as a critical infrastructure provider.

Spark welcomes a new Chair



At our 2026 Annual Shareholder's Meeting on November 6, we officially welcomed Vince Hawksworth as Chair.

Vince succeeds Justine Smyth who retires after 15 years on the Board, including seven years as Chair, during a period that included the transformation of Telecom into Spark. Drawing on his extensive experience leading critical infrastructure businesses in New Zealand and Australia, Vince said he was excited to become Chair of a company that plays such an important role in the lives of New Zealanders.

"Millions of New Zealanders rely on our services every day. Businesses rely on our networks. Communities rely on our infrastructure. And as technology continues to evolve, strong connectivity becomes more important, not less."

Vince said his approach as Chair would be grounded in clarity, focus, and consistent execution, with priorities including effective oversight, supporting and challenging management, disciplined decisions on behalf of shareholders, and helping Spark realise the opportunities created by SPK-30.

Welcoming our new Chief Operating Officer



Tommy Björkberg will join Spark as Chief Operating Officer in November 2026, with responsibility for network operations, business technology services, and cyber security – capabilities central to building a more automated, resilient, and efficient operating model. He brings more than 25 years of international telecommunications and technology leadership experience across mobile and fixed networks, cloud and digital infrastructure.

Tommy joins Spark from KPN, the Netherlands' largest telecommunications provider, where he was Vice President Network and Cloud and led strategy, transformation and architecture across fixed, mobile, IP, cloud and IT. He has also held senior roles at Telefónica UK (O2), Ericsson, and ZTE, working across Europe and Asia on large-scale network transformation and the use of AI and automation to improve customer experience and operational efficiency.

Tommy says "Spark is the type of telco that I like to work for. You are the market leader, you have the biggest footprint – you are essentially underpinning the digital economy of a country."

Mobile: the primary growth engine

Accelerating growth in mobile is central to SPK-30, and the return to mobile service revenue growth in FY26 provides a strong platform to build from. The focus now is accelerating that momentum – growing connections, improving plan mix, increasing the value of each relationship, and reducing churn.

Devices supporting customer growth

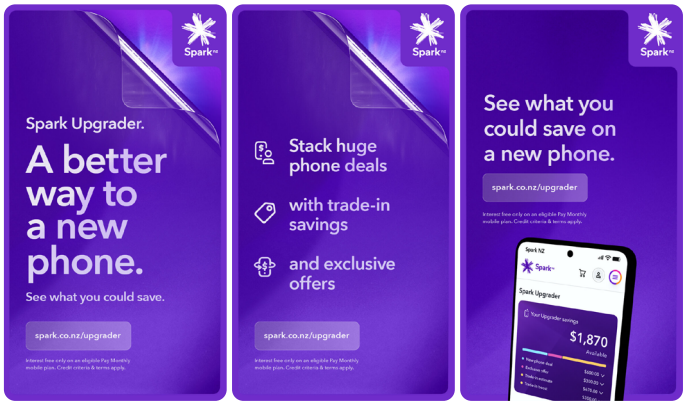
We were pleased to see total iPhone acquisition volumes during the recent launch of the iPhone 18 Pro and Pro Max up 40% year-on-year – demonstrating the strength of our offers across retail and digital channels.

Mobile devices are critical to service revenue growth because they create opportunities to attract new customers, move more customers onto higher-value plans, where suitable, and support longer-term customer relationships through flexible interest-free payment options.

Following the iPhone campaign we launched a new programme called Spark Upgrader – designed to turn strong customer demand for new devices into longer-term value for both Spark and customers. Upgrader makes it easier for customers to upgrade their existing mobile phone by combining its trade-in value with current offers and loyalty benefits, then spreading the remaining cost over 24- or 36-months interest-free on an eligible pay-monthly plan. For customers, this delivers maximum value when they are purchasing a new device. For Spark, this creates an opportunity to attract new customers, move more customers onto appropriate pay-monthly and higher-value plans and support retention.

Through our dual brand strategy, Skinny provides another avenue for growth among value-conscious customers. Our new partnership with Woolworths' Everyday Rewards allows customers to purchase Skinny products and top-ups at Woolworths stores and earn Everyday Rewards points on eligible Skinny spend. Over 33,000 Skinny customers signed up in the first few weeks – an early indicator of engagement with the partnership.







Growing the value of household relationships

Spark has the largest market share in both mobile and broadband, but there is considerable headroom to deepen these customer relationships. Just over half of Spark broadband customers also have their mobile service with Spark, leaving a significant opportunity to bring more of these customers across to Spark mobile, and vice versa.

Spark is rolling out a new programme to offer greater value to customers who bring more of their services together with Spark. This has kicked off with eligible broadband-only customers who could add a pay-monthly mobile plan, and will then switch to mobile-only customers during the peak broadband switching period over summer.

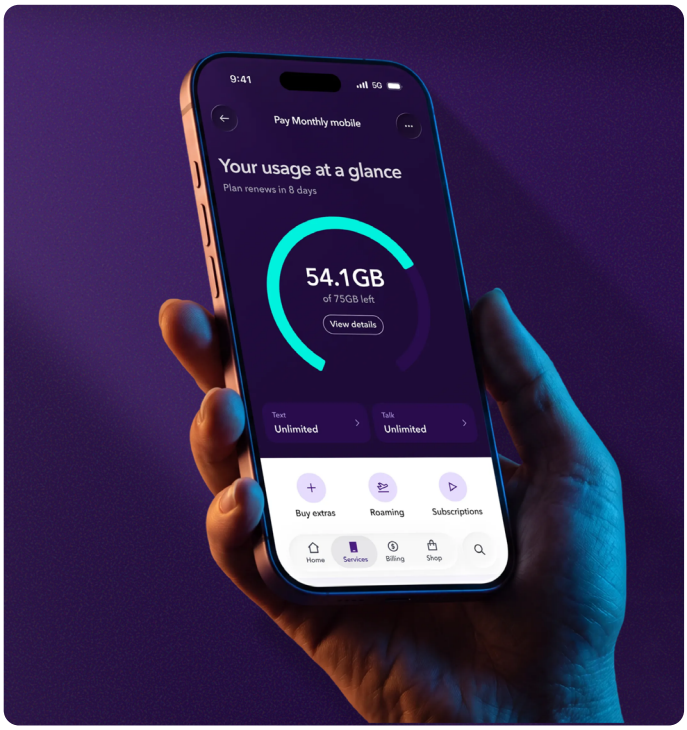
We are also focussed on rebuilding momentum in wireless broadband, which uses Spark's own mobile network to deliver broadband services. Wireless broadband gives customers more flexibility and choice at a variety of price points, while improving Spark's broadband economics. A new plan line-up will launch shortly, supported by a campaign to highlight the convenience and value benefits of wireless.

Connecting digital, retail, and care experiences for customers with a new Spark app

Spark has released the next generation of its app, giving customers a simpler way to manage their relationship with Spark, and bring usage, billing, payments, settings, support and relevant offers into one place.

The new app is part of a broader effort to create a more joined-up customer experience across Spark's digital, retail, and care channels, so customers can move between them without having to repeat information or restart their journey.

With almost 90% of Spark pay-monthly mobile sales taking place in a retail store, the aim is not to move every customer interaction online. Instead, Spark is making its app, stores, and customer care channels work better together so customers can move between them without repeating information or restarting their journey. This will make things much easier for our customers, while improving sales conversion and improving the efficiency of our care teams.





Network advantage and resilience

Spark recognised for network leadership across 5G, coverage and speed

Spark has been named New Zealand's Best 5G Network after securing six outright wins and three joint wins in the latest independent Opensignal mobile experience awards. Our outright wins included overall network coverage, 5G network coverage, time on 5G, 5G reliability, download speed, and 5G download speed, while we were also a joint winner for reliability, video, and 5G video.

The breadth of these results reflects the strength of Spark's network across coverage, speed, and reliability. Continued investment in our network is an important part of how we differentiate in an increasingly competitive connectivity market, strengthening the experience customers receive while supporting our ability to attract and retain customers over time.

Strong satellite uptake

We are also extending the reach and value of connectivity beyond the mobile network through satellite. In our first six months of partnership with Starlink, more than 237,000 customers connected to Spark Satellite, using more than 7.1 million megabytes of data and sending more than 323,000 satellite text messages. We have recently launched Internet of Things (IoT) satellite connectivity to extend the capability for businesses even further. The value is therefore broader than direct satellite revenue – wider coverage and resilience can underpin new services, strengthen the appeal of higher-value plans, and support retention.



Review of Digital Services

As part of SPK-30, Spark has announced a strategic review of its Digital Services businesses, which span cloud, IT services, data and AI. These businesses have strong market positions and sit outside Spark's sharpened focus on its core connectivity business. The review will consider the future ownership and structure of Digital Services, with the aim of supporting growth and creating long-term value for shareholders. No outcome has been reached, and Spark expects to provide a further update with its FY27 half-year results in February 2027.

Digital Services continues to serve and win customers. Recent wins include an ICT services agreement with Auckland Airport and work by our data and AI team Qrious to modernise the data foundations supporting Kiwibank's critical programmes.

Leveraging AI to improve performance

Spark's approach to AI is focused on practical outcomes in three areas: improving customer experiences, supporting our people to be more effective, and strengthening business performance over time.

For customers, AI assistants now support frontline advisers, answering around 2000 internal questions each month and reducing queries sent to operations and back-office teams. AI-generated call summaries are also saving approximately 1.5–2 minutes per interaction while creating more consistent customer records.

For our people, Spark is moving beyond individual productivity tools to apply AI across teams and processes. AI is being embedded across the software development lifecycle, helping our engineers write and test code, support system migrations and check changes faster while still maintaining human oversight and quality controls.

For business performance, AI and automation are increasingly embedded in network operations to identify issues earlier, reduce manual effort and resolve incidents faster. Spark is also expanding the use of AI-powered network optimisation technology, which has contributed to a 15% network-wide improvement in effective capacity since 2019 and provides real-time insights to support increasingly automated network planning and management.

Spark nz

Your feedback matters

investor-info@spark.co.nz

Sustainable connectivity

Our approach to environmental sustainability is focused on reducing our emissions while supporting the resilience and efficiency of the connectivity infrastructure New Zealand relies on. In FY26, Scope 1 and 2 emissions were 59% below our FY20 baseline, ahead of our FY30 target to reduce them by 56%. This progress reflects a continued focus on energy efficiency and renewable electricity, including our renewable energy partnership with Genesis. As network capacity and data demand grows, maintaining this trajectory will require us to keep improving energy performance across our networks, buildings and fleet, while working with suppliers to reduce emissions across the wider value chain.



Skinny Jump recently marked a decade of operations – demonstrating how Spark's connectivity capability can support broader digital inclusion across Aotearoa. Since launching in 2016, the programme has connected more than 100,000 households, with more than 39,000 households currently connected. Skinny Jump's network of community partners provide trusted local distribution and help reach people who might otherwise remain offline.

Together, lower emissions, more resilient networks, and wider digital inclusion support Spark's role as a trusted provider of critical national infrastructure and strengthens our licence to operate.

Key dates

- **February 2027:** Spark FY27 half-year results.
- **August 2027:** Spark FY27 full-year results.
- **November 2027:** Spark 2027 Annual Meeting of Shareholders.

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Shareholders can choose to receive communications electronically, reducing environmental impact and cost while making updates easier to access.

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