



# **INTERIM** **FINANCIAL** **STATEMENTS**

FY2025

# Interim financial statements

For the six months ended 31 December 2024

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These interim financial statements do not include all the notes and information normally included in the annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements for the year ended 30 June 2024.

## Statement of profit or loss and other comprehensive income

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2024 UNAUDITED \$M	2023 UNAUDITED \$M
Operating revenues and other gains		1,939	1,976
Operating expenses <sup>1</sup>		(1,520)	(1,446)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	4	419	530
Finance income		15	14
Finance expense		(75)	(63)
Depreciation and amortisation		(300)	(251)
Net investment income		-	(3)
Net earnings before income tax	3	59	227
Income tax expense <sup>1</sup>		(24)	(70)
<b>Net earnings for the period</b>	<b>4</b>	<b>35</b>	<b>157</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of long-term investments designated at fair value through other comprehensive income	5	(3)	(12)
<i>Items that may be reclassified to profit or loss:</i>			
Translation of foreign operations		-	(1)
Change in hedge reserves net of tax		(30)	(13)
Other comprehensive income for the period		(33)	(26)
<b>Total comprehensive income for the period</b>		<b>2</b>	<b>131</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		1.9	8.6
Diluted earnings per share (cents)		1.9	8.5
Weighted average ordinary shares (millions) - used for basic earnings per share		1,829	1,835
Dilutive potential ordinary share (options)		1	3
Weighted average ordinary shares and options (millions) - used for diluted earnings per share		1,830	1,838

See accompanying notes to the interim financial statements.

1 These balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 2 for further details.

## Statement of financial position

	NOTES	AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
<b>Current assets</b>			
Cash		100	59
Short-term receivables and prepayments		894	915
Short-term derivative assets		6	1
Inventories		113	89
Taxation recoverable		57	6
Assets classified as held for sale	2.1	256	-
<b>Total current assets</b>		<b>1,426</b>	<b>1,070</b>
<b>Non-current assets</b>			
Long-term receivables and prepayments		378	515
Long-term derivative assets		13	25
Long-term investments	5	132	206
Deferred tax assets		31	17
Right-of-use assets		575	487
Leased customer equipment assets		63	70
Property, plant and equipment		1,433	1,394
Intangible assets		847	851
<b>Total non-current assets</b>		<b>3,472</b>	<b>3,565</b>
<b>Total assets</b>		<b>4,898</b>	<b>4,635</b>
<b>Current liabilities</b>			
Short-term payables, accruals and provisions		581	550
Short-term derivative liabilities		1	-
Short-term lease liabilities		107	96
Debt due within one year	6	552	414
Liabilities classified as held for sale	2.1	6	-
<b>Total current liabilities</b>		<b>1,247</b>	<b>1,060</b>
<b>Non-current liabilities</b>			
Long-term payables, accruals and provisions		55	56
Long-term derivative liabilities		76	78
Long-term lease liabilities		777	646
Long-term debt	6	1,308	1,205
<b>Total non-current liabilities</b>		<b>2,216</b>	<b>1,985</b>
<b>Total liabilities</b>		<b>3,463</b>	<b>3,045</b>
<b>Equity</b>			
Share capital		906	810
Reserves		(447)	(414)
Retained earnings		976	1,194
<b>Total equity</b>		<b>1,435</b>	<b>1,590</b>
<b>Total liabilities and equity</b>		<b>4,898</b>	<b>4,635</b>

See accompanying notes to the interim financial statements.

On behalf of the Board



**Justine Smyth, CNZM**  
Chair



**Jolie Hodson, MNZM**  
Chief Executive

Authorised for issue on 21 February 2025

## Statement of changes in equity

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

SIX MONTHS ENDED 31 DECEMBER 2023 UNAUDITED	SHARE CAPITAL \$M	RETAINED EARNINGS \$M	HEDGE RESERVES \$M	SHARE-BASED COMPENSATION RESERVE \$M	REVALUATION RESERVE \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	TOTAL \$M
<b>Balance at 1 July 2023</b>	<b>965</b>	<b>1,371</b>	<b>11</b>	<b>2</b>	<b>(387)</b>	<b>(22)</b>	<b>1,940</b>
Net earnings for the period	-	157	-	-	-	-	157
Other comprehensive income for the period	-	-	(13)	-	(12)	(1)	(26)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>157</b>	<b>(13)</b>	<b>-</b>	<b>(12)</b>	<b>(1)</b>	<b>131</b>
Contributions by, and distributions to, owners:							
Dividends	-	(249)	-	-	-	-	(249)
Supplementary dividends	-	(25)	-	-	-	-	(25)
Tax credit on supplementary dividends	-	25	-	-	-	-	25
Share buy-back	(159)	-	-	-	-	-	(159)
Issuance of shares under share schemes	4	-	-	1	-	-	5
Other transfers	-	1	-	(1)	-	-	-
<b>Total transactions with owners for the period</b>	<b>(155)</b>	<b>(248)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(403)</b>
<b>Balance at 31 December 2023</b>	<b>810</b>	<b>1,280</b>	<b>(2)</b>	<b>2</b>	<b>(399)</b>	<b>(23)</b>	<b>1,668</b>

## Statement of cash flows

SIX MONTHS ENDED 31 DECEMBER

	NOTES	2024 UNAUDITED \$M	2023 UNAUDITED \$M
<b>Cash flows from operating activities</b>			
Receipts from customers		1,977	1,972
Receipts from interest		15	13
Payments to suppliers and employees		(1,566)	(1,519)
Payments for income tax		(78)	(101)
Payments for interest on debt		(46)	(31)
Payments for interest on leases		(24)	(23)
Payments for interest on leased customer equipment assets		(3)	(4)
<b>Net cash flows from operating activities</b>	7	<b>275</b>	<b>307</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		2	14
Receipts from finance leases		-	1
Payments for purchase of business, net of cash acquired		(2)	(2)
Receipts from loans receivable		3	10
Payments for, and advances to, long-term investments		-	(1)
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum), and capacity		(228)	(347)
Payments for capitalised interest		(4)	(6)
<b>Net cash flows from investing activities</b>		<b>(229)</b>	<b>(331)</b>
<b>Cash flows from financing activities</b>			
Proceeds from debt		5,427	7,310
Repayments of debt		(5,237)	(6,821)
Payments for dividends		(160)	(249)
Payments for share buy-back		-	(159)
Receipts from lease incentive		22	-
Payments for leases		(44)	(38)
Payments for leased customer equipment assets		(11)	(20)
<b>Net cash flows from financing activities</b>		<b>(3)</b>	<b>23</b>
<b>Net cash flows</b>		<b>43</b>	<b>(1)</b>
Opening cash position		59	100
<b>Closing cash position</b>		<b>102</b>	<b>99</b>
<b>Cash included in assets classified as held for sale</b>			
Cash included in assets classified as held for sale	2.1	2	-
Cash		100	99
<b>Closing cash position</b>		<b>102</b>	<b>99</b>

See accompanying notes to the interim financial statements.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 1 About this report

#### Reporting entity

These unaudited interim financial statements are for Spark New Zealand Limited (the Company) and its subsidiaries (together Spark or 'the Group') for the six months ended 31 December 2024.

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).

#### Basis of preparation

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

The accounting policies adopted are consistent with those followed in the preparation of Spark's annual financial statements for the year ended 30 June 2024. The preparation of the interim financial statements requires management to make estimates and assumptions. Spark has been consistent in applying the estimates and assumptions adopted in the annual financial statements for the year ended 30 June 2024. Certain comparative information has been updated to conform with the current year's presentation.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The only significant variances between instruments held at amortised cost and their fair value relate to long-term debt. There were no changes in valuation techniques during the period. Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange prices. This represents a level two measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within level one that are observable for the asset or liability. The fair value of receivables and prepayments are approximately equal to their carrying value.

As at 31 December 2024, capital expenditure amounting to \$718 million (30 June 2024: \$684 million) had been committed under contractual arrangements.

#### New and amended standards

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

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

- A more structured statement of profit or loss and other comprehensive income, including new subtotals, and income and expenses classified into three categories (operating, investing and financing).
- 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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 2 Significant transactions and events for the current period

The following significant transactions and events affected the financial performance and financial position of Spark for the six month period to 31 December 2024 or subsequent to balance date:

#### Debt programme (see note 6)

- On 28 November 2024, Spark extended the term of its \$100 million committed revolving sustainability linked loan (SLL) facility with Commonwealth Bank of Australia by three years, to mature on 30 November 2027. Spark's SLL has a dual focus on the Group's environmental and gender diversity performance. For the SLL extension, the gender representation target has been replaced with a median gender pay gap target. The environmental targets remain unchanged.
- On 28 November 2024, Spark established a NZ\$100 million committed revolving facility with Commonwealth Bank of Australia, to mature on 28 May 2025.

#### Capital expenditure

- Spark's additions to property, plant and equipment, intangible assets (excluding spectrum) and capacity right-of-use assets were \$252 million (31 December 2023: \$286 million).

#### Dividends

- Dividends paid during the six month period ended 31 December 2024 in relation to the H2 FY24 second-half ordinary dividend of 14.0 cents per share totalled \$254 million. Of this, \$94 million was reinvested through the dividend reinvestment plan with the shares issued at a 3% discount to the prevailing market price around the time of issue. The dividends paid during the comparative six month period to 31 December 2023 in relation to the H2 FY23 second-half ordinary dividend of 13.5 cents per share totalled \$249 million, with no shares offered under the dividend reinvestment plan.

#### Connexa (see note 2.1)

- On 12 December 2024, Spark announced the sale of its remaining stake (~17%) in mobile towers business Connexa to global investment group CDPQ, with final proceeds expected to be around \$310 million and completion anticipated to occur in the third quarter of FY25. More details on the anticipated transaction are contained within note 2.1.

#### Transformation costs (see note 4)

- Transformation costs of \$29 million were incurred in the implementation of Spark's SPK-26 Operate Programme. The objectives of this programme are to redesign the organisational operating model, drive labour and operating cost reductions. The costs incurred related to largely labour restructuring and advisory costs.

### Note 2.1 Assets and liabilities classified as held for sale

#### Connexa

On 12 December 2024, Spark announced the sale of the remaining ~17% interest in Connexa to global investment group CDPQ, with final proceeds expected to be around \$310 million. As at 31 December 2024, the assets associated with Connexa have been classified as held for sale.

All necessary regulatory conditions have been satisfied and the sale is expected to complete in the third quarter of FY25.

#### Other Transactions

On 20 December 2024, Spark signed a sale and purchase agreement for the sale of its subsidiary Digital Island which is expected to be completed in the third quarter of FY25. The sale excludes Digital Island's mobile services business which will be transferred to Spark after completion. As at 31 December 2024, the assets, excluding its mobile customer base, and liabilities associated with Digital Island have been classified as held for sale.

In July 2024, Spark bought back a Business Hub from the previous licensee. Spark intends to re-sell the hub and anticipates the Business Hub will be sold in the third quarter of FY25.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 2.1 Assets and liabilities classified as held for sale (continued)

The major classes of assets and liabilities classified as held for sale are as follows:

UNAUDITED	AS AT 31 DECEMBER 2024 \$M
Cash	2
Short-term receivables and prepayments	4
Long-term receivables and prepayments	1
Long-term receivable <sup>1</sup>	171
Long-term investments <sup>1</sup>	65
Property, plant and equipment	1
Intangible assets	12
<b>Total assets classified as held for sale</b>	<b>256</b>
Short-term payables, accruals and provisions	6
<b>Total liabilities classified as held for sale</b>	<b>6</b>

<sup>1</sup> These balances relate to the investment in Connexa and associated shareholder loans.

No gain or loss was recognised in the statement of profit or loss on classification of the above assets and liabilities to held for sale.

At the time these interim financial statements were authorised for issue the Connexa, Digital Island and Business Hub transactions had not yet completed.

### Note 3 Segment information

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

#### Comparative segment results

Spark has made minor reclassifications of segment revenues and costs from IT products and IT services to data centres. There is no change to the overall Spark reported result because of these changes.

UNAUDITED	2024			2023		
	OPERATING REVENUES \$M	PRODUCT COSTS \$M	PRODUCT MARGIN \$M	OPERATING REVENUES \$M	PRODUCT COSTS \$M	PRODUCT MARGIN \$M
Mobile	739	(251)	488	749	(253)	496
Procurement and partners	332	(307)	25	339	(315)	24
Broadband	302	(162)	140	309	(161)	148
IT products	264	(139)	125	261	(122)	139
Voice	78	(36)	42	94	(43)	51
IT services	72	(23)	49	80	(14)	66
High-tech	41	(19)	22	35	(13)	22
Data centres	25	(2)	23	22	(1)	21
Other products <sup>1</sup>	63	(26)	37	68	(22)	46
<b>Segment results</b>	<b>1,916</b>	<b>(965)</b>	<b>951</b>	<b>1,957</b>	<b>(944)</b>	<b>1,013</b>

<sup>1</sup> Other products includes mobile infrastructure and exchange building sharing arrangements.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Note 3 Segment information (continued)

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

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2024 \$M	2023 \$M
Segment product margin	951	1,013
Other gains		
Gain on sale and acquisition of property, plant and equipment and intangibles	1	17
Gain on lease modifications and terminations	22	2
Labour <sup>1</sup>	(273)	(279)
Other operating expenses		
Network support costs	(52)	(40)
Computer costs	(74)	(52)
Accommodation costs	(48)	(48)
Advertising, promotions and communication	(31)	(33)
Bad debts	(10)	(7)
Other <sup>1</sup>	(67)	(43)
<b>Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)</b>	<b>419</b>	<b>530</b>
Finance income		
Finance lease interest income	4	4
Other interest income	11	10
Finance expense		
Finance expense on debt	(41)	(33)
Lease interest expense	(25)	(24)
Leased customer equipment interest expense	(3)	(4)
Other interest and finance expenses	(10)	(8)
Capitalised interest	4	6
Depreciation and amortisation expense		
Depreciation - property, plant and equipment	(147)	(112)
Depreciation - right-of-use assets	(50)	(42)
Depreciation - leased customer equipment assets	(13)	(17)
Amortisation - intangible assets	(90)	(80)
Net investment income		
Share of associates' and joint ventures' net losses	(6)	(8)
Interest income on loans receivable from associates and joint ventures	6	6
Net loss on remeasurement of equity accounted investments	-	(1)
<b>Net earnings before income tax</b>	<b>59</b>	<b>227</b>

1 These balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 2 for further details.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 4 Non-GAAP measures

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

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

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

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2024 \$M	2023 \$M
Net earnings for the period reported under NZ IFRS	35	157
Less: finance income	(15)	(14)
Add back: finance expense	75	63
Add back: depreciation and amortisation	300	251
Add back: net investment income	-	3
Add back: income tax expense	24	70
<b>EBITDAI</b>	<b>419</b>	<b>530</b>

#### 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 (such as gains, expenses and impairments) individually greater than \$25 million. In the six months ended 31 December 2024, the transformation costs associated with Spark's SPK-26 Operate Programme amounted to \$29 million and were deemed significant to adjust.

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	NOTE	2024 \$M	2023 \$M
EBITDAI		419	530
Add: transformation costs	2	29	-
<b>Adjusted EBITDAI</b>		<b>448</b>	<b>530</b>

SIX MONTHS ENDED 31 DECEMBER UNAUDITED	2024 \$M	2023 \$M
Net earnings for the period reported under NZ IFRS	35	157
Add: transformation costs	29	-
Less: tax effect on transformation costs	(8)	-
<b>Adjusted net earnings</b>	<b>56</b>	<b>157</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 4 Non-GAAP measures (continued)

#### Net debt

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

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

	NOTE	AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
Cash		(100)	(59)
Cash included in assets classified as held for sale	2.1	(2)	-
Debt due within one year at face value		560	418
Long-term debt at face value		1,335	1,267
Net debt at face value		<b>1,793</b>	<b>1,626</b>
To retranslate debt balances at swap rates where hedged by currency swaps		3	10
<b>Net debt at hedged rates<sup>1</sup></b>		<b>1,796</b>	<b>1,636</b>
<i>Non-cash adjustments</i>			
Impact of fair value hedge adjustments <sup>2</sup>		9	9
Unamortised discount		(6)	(7)
<b>Net debt at carrying value</b>		<b>1,799</b>	<b>1,638</b>

1 Net debt at hedged rates is the value of hedged cash flows due to arise on maturity.

2 Fair value hedge adjustments arise on domestic notes in fair value hedges and foreign currency medium term notes in dual fair value and cash flow hedges. These have no impact on the cash flows to arise on maturity.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 5 Long-term investments

		AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
MEASUREMENT BASIS			
Shares in Hutchison	Fair value through other comprehensive income	38	41
Investment in associates and joint ventures	Equity method	90	161
Other long-term investments	Cost	4	4
		<b>132</b>	<b>206</b>

Spark holds a 10% interest in Hutchison Telecommunications Australia Limited (Hutchison), an ASX listed company. The fair value of this investment is determined using the observable bid price quoted on the ASX, categorized as level one in the fair value hierarchy. As at 31 December 2024, Hutchison's share price was AU\$0.026 (30 June 2024: AU\$0.028). The decrease in fair value of \$3 million is recognised in other comprehensive income (31 December 2023: \$12 million decrease).

#### Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 31 December 2024 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 for the Southern Cross Cables network
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company for the Southern Cross Cables network
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development

On 12 December 2024, Spark announced the sale of the remaining ~17% interest in FrodoCo Holdings Limited, the holding company for Connexa, to global investment group CDPQ. This investment in associate is classified as assets held for sale, see note 2.1 for further details.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## Note 6 Debt

				AS AT 31 DECEMBER 2024 UNAUDITED \$M	AS AT 30 JUNE 2024 AUDITED \$M
	FACILITY	COUPON RATE	MATURITY		
<b>Debt due within one year</b>					
Commercial paper		Variable	< 3 months	199	208
				<b>199</b>	<b>208</b>
Supplier financing arrangements <sup>1</sup>		Variable	< 30/06/2029	28	21
				<b>28</b>	<b>21</b>
Bank funding					
MUFG Bank, Ltd. <sup>2</sup>	125 million NZD	Variable	30/11/2025	125	-
Commonwealth Bank of Australia	100 million NZD	Variable	28/05/2025	100	-
Commonwealth Bank of Australia <sup>2</sup>	100 million NZD	Variable	30/11/2024	-	100
Bank of New Zealand	100 million NZD	Variable	30/05/2025	100	85
				<b>325</b>	<b>185</b>
<b>Total debt due within one year</b>				<b>552</b>	<b>414</b>
<b>Long-term debt</b>					
Supplier financing arrangements <sup>1</sup>		Variable	< 30/06/2029	46	49
				<b>46</b>	<b>49</b>
Bank funding					
Westpac New Zealand Limited <sup>2</sup>	200 million NZD	Variable	30/11/2026	94	-
Commonwealth Bank of Australia <sup>2</sup>	100 million NZD	Variable	28/11/2027	100	-
MUFG Bank, Ltd. <sup>2</sup>	125 million NZD	Variable	30/11/2025	-	125
				<b>194</b>	<b>125</b>
Domestic notes					
125 million NZD		3.94%	07/09/2026	123	117
100 million NZD <sup>3</sup>		4.37%	29/09/2028	100	100
125 million NZD		5.21%	18/09/2029	130	124
175 million NZD		5.45%	18/09/2031	182	174
				<b>535</b>	<b>515</b>
Foreign currency Medium Term Notes					
Australian Medium Term Notes - 100 million AUD		1.90%	05/06/2026	106	102
Australian Medium Term Notes - 150 million AUD		4.00%	20/10/2027	161	156
Australian Medium Term Notes - 125 million AUD		2.60%	18/03/2030	121	116
Norwegian Medium Term Notes - 1 billion NOK <sup>4</sup>		3.07%	19/03/2029	145	142
				<b>533</b>	<b>516</b>
<b>Total long-term debt</b>				<b>1,308</b>	<b>1,205</b>
<b>Total debt</b>				<b>1,860</b>	<b>1,619</b>

1 With respect to arrangements with outstanding liabilities at 31 December 2024, including those entered into in prior years, financing providers have paid suppliers a total of \$106 million, Spark has accrued interest of \$4m and made payments against these arrangements of \$36 million, resulting in a closing liability of \$74 million as at 31 December 2024 (30 June 2024: financiers have paid suppliers \$120 million, Spark has accrued interest of \$4m and made payments against these arrangements of \$54 million, resulting in a closing liability of \$70 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities.

2 These facilities are Sustainability-Linked Loans. Spark will receive lower interest rates for the next annual period if it achieves annual sustainability targets or pay higher rates on the loans for the next annual period if it falls short of these annual targets.

3 This bond is a Sustainability-Linked Bond. The bond includes an interest rate step up depending on the achievement of a sustainability target as at 30 June 2026.

4 Norwegian krone.

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

The fair value of total debt based on market observable prices, was \$1,878 million compared to a carrying value of \$1,860 million as at 31 December 2024 (30 June 2024: fair value of \$1,635 million compared to a carrying value of \$1,619 million).

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

SIX MONTHS ENDED 31 DECEMBER	2024	2023
UNAUDITED	\$M	\$M
Net earnings for the period	35	157
Adjustments to reconcile net earnings to net cash flows from operating activities		
Depreciation and amortisation	300	251
Bad and doubtful accounts	11	8
Deferred income tax	(2)	2
Share of associates' and joint ventures' net losses	6	8
Interest income on loans receivable from associates and joint ventures	(6)	(6)
Net loss on remeasurement of equity accounted investments	-	1
Gain on sale and acquisition of property, plant and equipment and intangibles	(1)	(17)
Gain on lease modifications and terminations	(22)	(2)
Other	2	4
Changes in assets and liabilities net of effects of non-cash and investing and financing activities		
Movement in receivables and related items	(13)	(50)
Movement in inventories	(24)	(26)
Movement in current taxation	(51)	(33)
Movement in payables and related items	40	10
<b>Net cash flows from operating activities</b>	<b>275</b>	<b>307</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 8 Dividends

On 20 February 2025, the Board approved the payment of a first-half ordinary dividend of 12.5 cents per share or approximately \$231 million. The dividend will be 75% imputed. In addition, supplementary dividends totalling approximately \$15 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

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

1 Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H1 FY25, these are based on the exchange rate at 18 February 2025 of NZ\$1 to US\$0.5702 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 dividend reinvestment plan has been retained for the H1 FY25 dividend. Shares issued under the dividend reinvestment plan will be issued at a 2% discount to the prevailing market price as determined around the time of issue. The last date for shareholders to elect to participate in the dividend reinvestment plan for the H1 FY25 dividend is 24 March 2025. Spark's Dividend Reinvestment Plan Offer Document and Participation Notice can be found on Spark's Investor Centre Website: [investors.sparknz.co.nz](https://investors.sparknz.co.nz)





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

### Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of Spark New Zealand Limited ('the Company') and its subsidiaries ('the Group') on pages 3 to 16 which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

### Basis for Conclusion

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

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for Spark New Zealand Limited in relation to the regulatory audit, other assurance related services (such as trustee reporting), compliance services and non-assurance services provided to the Corporate Taxpayer Group of which Spark New Zealand Limited is a member, along with a number of other organisations. These services have not impaired our independence as auditor of the Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Company and its subsidiaries and this matter has not impacted our independence. Also, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in the Group.

### Directors' responsibilities for the interim financial statements

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

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

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

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

### Restriction on use

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

A stylized signature of "Deloitte Limited" in a cursive, handwritten font.

Jason Stachurski, Partner  
for Deloitte Limited

Auckland, New Zealand

21 February 2025

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