Interim financial statements FY26

Interim financial statements

For the six months ended 31 December 2025

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

Statement of profit or loss and other comprehensive income

SIX MONTHS ENDED 31 DECEMBER

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

See accompanying notes to the interim financial statements.

1. H1 FY25 balances have been impacted by the transformation costs associated with Spark's SPK-26 Operate Programme, see note 3 for further details.
2. Certain comparative information has been re-presented due to the data centre business being classified as a discontinuing operation in H2 FY25, see note 2.1 for further details.

Statement of financial position

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

See accompanying notes to the interim financial statements.

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

On behalf of the Board

Justine Smyth, CNZM
Chair
Authorised for issue on 18 February 2026

Jolie Hodson, MNZM
Chief Executive

Statement of changes in equity

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

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

SIX MONTHS ENDED 31 DECEMBER 2024 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
Balance at 1 July 2024	**810**	**1,194**	**12**	**4**	**(407)**	**(23)**	**1,590**
Net earnings for the period	–	35	–	–	–	–	35
Other comprehensive income for the period	–	–	(30)	–	(3)	–	(33)
Total comprehensive income for the period	**-**	**35**	**(30)**	**-**	**(3)**	**-**	**2**
Contributions by, and distributions to, owners:							
Dividends	–	(254)	–	–	–	–	(254)
Supplementary dividends	–	(23)	–	–	–	–	(23)
Tax credit on supplementary dividends	–	23	–	–	–	–	23
Dividend reinvestment plan	94	–	–	–	–	–	94
Issuance of shares under share schemes	3	–	–	1	–	–	4
Other transfers	(1)	1	–	(1)	–	–	(1)
Total transactions with owners for the period	**96**	**(253)**	**-**	**-**	**-**	**-**	**(157)**
Balance at 31 December 2024	**906**	**976**	**(18)**	**4**	**(410)**	**(23)**	**1,435**

Statement of cash flows

SIX MONTHS ENDED 31 DECEMBER

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

See accompanying notes to the interim financial statements.

1. H1 FY26 balances include $239 million relating to proceeds from the sale of IFP receivables and $4 million cash collected on behalf of Challenger Limited (Challenger). See note 2.2 for further details.
2. H1 FY26 payments were for capital expenditure on data centre assets held for sale, see note 2.1 for further details.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 About this report

Reporting entity

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

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

Basis of preparation

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

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

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

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

New and amended standards

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

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

- A more structured statement of profit or loss and other comprehensive income, including new subtotals, and income and expenses classified into five categories (operating, investing, financing, discontinued operations and income tax).
- Non-GAAP management performance measures are required to be disclosed in the financial statements and subject to audit.
- New disclosures are required for items currently labelled as 'other', with enhanced guidance on how to group information within the financial statements.

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

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

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

There are no other new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the financial statements of Spark.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 2 Significant transactions and events

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

Debt programme (see note 6)

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

Capital expenditure

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

Dividends

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

Data centre business sale (see note 2.1)

- On 12 August 2025, Spark announced it entered into an agreement to sell a 75% interest in its data centre business to Pacific Equity Partners.
- The transaction was subject to regulatory and customary consents including Overseas Investment Office approval.
- As at 30 June 2025 and 31 December 2025, the data centre business has been classified as a discontinuing operation held for sale.
- On 30 January 2026, Spark completed the sale of 75% interest in its data centre business to Pacific Equity Partners. Total consideration includes cash proceeds of $453 million received at completion date and potential additional deferred cash proceeds of up to $98 million contingent on the achievement of certain performance-based objectives by 31 December 2026 and 31 December 2027. As part of the transaction, Spark transfers its data centre assets and operations into a new stand-alone company called 'TenPeaks Data Centres'. Following the completion of the sale, the remaining 25% interest in TenPeaks Data Centres will be equity accounted for as an investment in associate.

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

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

Long-term investments

- On 23 June 2025, Spark announced that it had accepted an offer from Hutchison Telecommunications (Amsterdam) BV, an indirect wholly owned subsidiary of CK Hutchison Holdings Limited, to sell its 10% shareholding in Hutchison Telecommunications (Australia) Limited (Hutchison) at AU$0.032 per share. The transfer of shares completed on 25 June 2025, with NZ$48 million cash proceeds received on 17 July 2025 which are presented in the statement of cash flows for the six months ended 31 December 2025.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.1 Discontinuing operation held for sale

Data centre business

As disclosed in note 2, following the announcement on 12 August 2025 to sell a 75% interest in the data centre business to Pacific Equity Partners, the business was classified as a discontinuing operation held for sale.

This discontinuing operation was previously part of the data centres segment which has been reclassified to the other products segment. The discontinuing operation's net earnings are as follows:

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

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

	AS AT 31 DECEMBER 2025 UNAUDITED $M	AS AT 30 JUNE 2025 AUDITED $M
Short-term receivables and prepayments	9	18
Right-of-use assets	1	3
Property, plant and equipment	290	236
Intangible assets	10	11
Deferred tax asset	7	–
Total assets classified as held for sale	**317**	**268**
Lease liabilities	1	4
Total liabilities classified as held for sale	**1**	**4**

No write-down was recognised in the statement of profit or loss on classification of the above assets and liabilities to held for sale as the estimated selling price exceeded the carrying value. As completion did not occur until 30 January 2026, the gain on sale calculation has not yet been completed. This will be completed prior to finalising the 30 June 2026 financial statements.

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2.2 Sale of IFP Receivables

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

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

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

Derecognition of Financial Assets

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

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

Significant Judgements

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information

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

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

Comparative segment results

Spark has reclassified the comparative segment results:

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

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

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

1. Other connectivity includes IoT, Managed data and networks, security and collaboration.
2. Other products includes mobile infrastructure and exchange building sharing arrangements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information (continued)

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

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

1. H1 FY26 balances include additional transaction costs of $9 million ($2 million in labour and $7 million in other operating costs) incurred in relation to the sale of the data centre business in January 2026.
2. H1 FY25 balances include additional transformation costs of $29 million ($2 million in labour and $27 million in other operating costs which were mostly severances) associated with Spark's SPK-26 Operate Programme.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures

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

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures (continued)

Adjusted EBITDAI and adjusted net earnings

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

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

Net debt

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

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

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

1. Net debt at hedged rates is the value of hedged cash flows due to arise on maturity.
2. Fair value hedge adjustments arise on domestic notes in fair value hedges and foreign currency medium term notes in dual fair value and cash flow hedges. These have no impact on the cash flows to arise on maturity.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 5 Long-term investments

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

On 25 June 2025, Spark sold its 10% shareholding in Hutchison for AU$0.032 per share, with $48 million cash proceeds received on 17 July 2025. There were no significant changes in long-term investments in H1 FY26.

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 31 December 2025 consists of the following:

NAME	TYPE	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Flok Limited	Associate	New Zealand	38%	Hardware and software development
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt

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

1. With respect to arrangements with outstanding liabilities at 31 December 2025, including those entered into in prior years, financing providers have paid suppliers a total of $112 million, Spark has accrued interest of $7 million and made payments against these arrangements of $68 million, resulting in a closing liability of $51 million as at 31 December 2025 (30 June 2025: financers have paid suppliers $109 million, Spark has accrued interest of $5 million and made payments against these arrangements of $54 million, resulting in a closing liability of $60 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities. These supplier financing arrangements have extended payment terms ranging from two to six years from initial supplier financing arrangement commencement dates, generally with monthly repayments. There are no security nor guarantees provided relating to these arrangements.
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. As disclosed in note 2, on 27 November 2025 the MUFG facility was extended to mature on 30 November 2026, however it was undrawn as at 31 December 2025.
4. 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.
5. Norwegian krone.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt (continued)

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

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

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 8 Dividends

On 17 February 2026, the Board approved the payment of a first-half ordinary dividend of 8.0 cents per share or approximately $151 million. The dividend will be 50% imputed. In addition, supplementary dividends totalling approximately $6 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

	H1 FY26 ORDINARY DIVIDENDS
Dividends declared	
Ordinary shares	8.0 cents
American Depositary Shares[1]	24.16 US cents
Imputation	
Percentage imputed	50%
Imputation credits per share	1.5556 cents
Supplementary dividend per share[2]	0.7059 cents
'Ex' dividend dates	
New Zealand Stock Exchange	19/03/2026
Australian Securities Exchange	19/03/2026
American Depositary Shares	20/03/2026
Record dates	
New Zealand Stock Exchange	20/03/2026
Australian Securities Exchange	20/03/2026
American Depositary Shares	20/03/2026
Payment dates	
New Zealand and Australia	10/04/2026
American Depositary Shares	20/04/2026

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

Note 9 Events occurring after the reporting period

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

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

Conclusion

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

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

Basis for Conclusion

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

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

Our firm carries out other assignments for Spark New Zealand Limited in relation to the statutory audit, other assurance related services (including trustee reporting, Greenhouse Gas Emissions limited assurance and agreed upon procedures in relation to the sustainability linked loans), regulatory assurance engagements and non-assurance services (such as CPO Vantage Programme, CFO Vantage Programme as well as administrative and other advisory services provided to the Corporate Taxpayer Group of which Spark New Zealand Limited is a member). These services have not impaired our independence as auditor of the Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Company, and its subsidiaries and this matter has not impacted our independence. Also, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in the Group.

Directors' responsibilities for the interim financial statements

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

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

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

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

Restriction on use

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

Deloitte Limited

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Auckland, New Zealand
18 February 2026

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