

Spark New Zealand

Group result - reported

Reported revenue, expenses, EBITDAI and NPAT exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements.

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

¹Earnings per share

NM denotes 'not meaningful'

Group result - adjusted

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

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

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

²Earnings per share

Declared Dividends

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

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Group operating revenues and other gains

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

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

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

Group operating expenses

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

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

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

Group FTEs

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

Spark New Zealand

Gross margin by product

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

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

Finance expense & income

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

Depreciation and amortisation expense

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

Net investment income

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

Spark New Zealand

Core Connectivity

Analysis & KPIs - Mobile

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

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

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

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

⁴Includes handset, interconnect and cellphone tower access costs.

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

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Other connectivity

Analysis & KPIs - Voice

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

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

Analysis & KPIs - Broadband

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

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

Analysis & KPIs - Other connectivity³

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

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

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Other

Analysis & KPIs - Data centres¹

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

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

²Based on a total contract value weighted average of remaining lease years for global cloud/content provider contracts. Prior periods have been restated to reflect a change in reporting methodology, now considering the remaining contract terms rather than the contract length at commencement.

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

Analysis & KPIs - Cloud

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

Analysis & KPIs - Service management

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

Analysis & KPIs - Procurement and partners

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

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Statement of cash flows

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

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

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

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

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

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Group capital expenditure (Capex)

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

Capital expenditure is the additions to property, plant and equipment and intangible assets (excluding goodwill, acquisitions and other non-cash additions that may be required by NZ IFRS, such as decommissioning costs) and additions to capacity right-of-use assets where such additions are paid upfront.

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Reconciliation of reported to adjusted net earnings

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

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

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

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

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