Spark Annual Report FY26

Tahutahuna te Kora

Papā te whatitiri,
hikohiko te uira

Ko te pae anamata,
whakamaua, kia ngita

Kei reira te kora e
pūrātoke ana

Kua kitea te kora
e pūrātoke ana

Mā wai rā te kora e tutungi,
e poipoi?

Mā tātou te kora e tutungi,
e poipoi

Tahutahuna te kora, (hī!)

te kora whitawhita, (hī!)

te kora tangata ēi!

The thunder peels,
the lightning flashes

Fix your attention
to the future horizon and secure it

There, is a small gleaming fragment

We have found the small
gleaming fragment

Who will light and nurture
this spark?

It is us who will light and nurture
the spark!

Set fire to the spark, yes!

The zealous spark, yes!

The spark of humanity!

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

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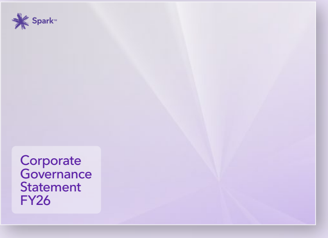
About this report

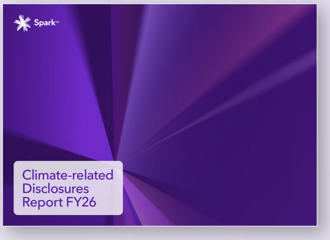
- This report covers the activities of Spark New Zealand Limited and its subsidiaries for the period 1 July 2025 to 30 June 2026.
- This is an integrated report that covers our financial performance alongside the economic, social, and environmental factors that underpin our short, medium, and long-term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

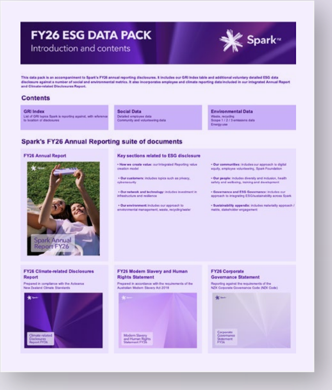
Justine Smyth CNZM
Chair

Lindsay Wright
Chair Audit and Risk Management Committee

FY26 reporting suite







About Spark

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

#1

Market share in mobile and broadband[1,2]

#1

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

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

2.6m
mobile connections

3,416
employees[4]

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

629k
broadband connections

58
retail stores

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

110k+
small-medium business customers

24
regional business hubs

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

1,100+
enterprise and government customers

+42
customer interaction net promoter score

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

Creating value for our shareholders

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

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

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

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

Lead in core connectivity

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

Simplify and optimise beyond the core

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

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

Better network

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

Better customer experiences

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

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

Enablers of our strategy

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

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

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

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

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

FY26 delivered stronger foundations for future value creation

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

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

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

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

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

Our Purpose

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

Our Ambition

It's better with Spark

Better network

Better customer experiences

Our Strategic Choices

1 Lead in core connectivity

2 Simplify and optimise beyond the core

Our Enablers

People and culture

Technology and AI

Financial discipline

Sustainable Spark

Performance snapshot

Reported operating revenues and other gains[1]

$3,949m

6.0% increase vs FY25

Adjusted operating revenues and other gains[2]

$3,700m

no change vs FY25

Reported EBITDAI[1,3]

$1,295m

23.0% increase vs FY25

Adjusted EBITDAI[2,3]

$1,035m

2.4% decrease vs FY25

Reported net earnings[4]

$499m

91.9% increase vs FY25

Adjusted net earnings[2]

$225m

0.9% decrease vs FY25

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

Mobile service revenue

$998m

1.1% increase vs FY25

Free cash flow[5]

$308m

18.5% increase vs FY25

Broadband revenue

$596m

2.0% decrease vs FY25

Capital expenditure[3]

$467m

8.9% increase vs FY25

Reported return on invested capital[6]

13.8%

5.1 pts increase vs FY25

Adjusted return on invested capital[7]

8.4%

no change vs FY25

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

Chair's address

Tēnā koutou,

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

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

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

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

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

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

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

Creating value through active portfolio management

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

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

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

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

Justine Smyth
CNZM

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

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

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

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

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

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

Returning debt to targeted levels

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

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

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

Board renewal

FY26 was also a significant year for Board renewal.

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

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

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

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

Looking back

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

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

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

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

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

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

It has been a privilege to serve.

Ngā mihi

Justine Smyth CNZM
Chair

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

CEO review

Tēnā koutou,

FY26 was a year focused on disciplined execution.

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

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

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

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

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

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

Building momentum in mobile

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

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

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


Jolie Hodson MNZM

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

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

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

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

Better network

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

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

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

A major milestone during FY26 was the nationwide shutdown of our 3G network. This was one of the largest operational programmes we have undertaken in recent years, involving extensive customer engagement, network builds and planning, and industry coordination. The programme was delivered to plan and on schedule and enables us to repurpose valuable spectrum to support future growth in 4G and 5G services. While the transition was smooth for the vast majority of customers, we continue to support a small number of customers in more remote and edge-of-network locations through our dedicated 3G care team.

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

Satellite strengthens our advantage

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

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

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

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

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

Better customer experiences

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

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

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

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

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

Looking ahead

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

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

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

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

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

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

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

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

Thank you for your continued support.

Ngā mihi

Jolie Hodson MNZM
CEO

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

How we create value

INPUTS

What we rely on to operate our business

Finance

Strong balance sheet

People

Skilled, engaged and effective teams

Partnerships

Global and local partnerships that strengthen and broaden our capability

Network & Technology

Our mobile and fixed networks, technology, and data centres

Nature

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

Relationships

With customers, suppliers, communities and stakeholders

OUR BUSINESS MODEL

How we use these inputs to create outputs and outcomes

OUR PURPOSE

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

UNDERPINNED BY STRONG GOVERNANCE AND OUR VALUES

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

OUTPUTS What we aim to create	OUTCOMES The benefits of these outputs
Financial growth and shareholder returns	Creating value for shareholders See pages 4–5
Skilled, safe and diverse workforce	Employment and skill development See page 39
Resilient, automated and adaptive network and technology	Connected New Zealand and resilient digital economy See page 26
Reliable connectivity for our customers	Connected and enabled New Zealanders See page 21
Reduced use of natural resources	Protecting the environment and supporting New Zealand's decarbonisation See page 31
Improved customer experience, digital equity, and supply chain practices	Better customer experience, social outcomes, and participation See page 35

Our performance

Reported EBITDAI[1,2] **$1,295m** 23.0% increase vs FY25	**Reported net earnings[3]** **$499m** 91.9% increase vs FY25	**Reported basic earnings per share[3]** **26.4 cents** 88.6% increase vs FY25	
Adjusted EBITDAI[1,4] **$1,035m** 2.4% decrease vs FY25	**Adjusted net earnings[1,4]** **$225m** 0.9% decrease vs FY25	**Adjusted basic earnings per share[4]** **11.9 cents** 3.3% decrease vs FY25	**Dividends per share[5]** **16.0 cents** 36.0% decrease vs FY25

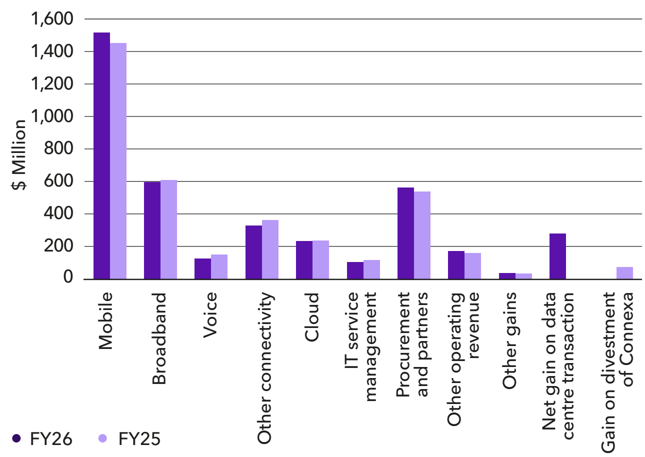
Reported and adjusted results

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

Operating revenues and other gains

$3,949m
reported (up 6.0%)

$3,700m
adjusted (no change)



Reported revenues[2]

- Mobile revenue increased $64m, or 4.4%, driven by growth in both service and non-service revenue.
- Mobile service revenue grew $11 million or 1.1%, driven by consumer pricing and plan mix, partly offset by lower connections.
- Mobile non-service revenue grew $53m, or 11.4%, reflecting strong growth in handset sales, supported by customer uptake of interest free payments (IFP), accessories sales, and increased revenue from distribution sales through retail channel partners.
- Broadband revenue declined $12 million, or 2.0%. Mainly driven by a decline in broadband connections in a highly competitive market.
- Legacy voice revenue declined $24 million, or 16.0%, in line with the long-term trend. Voice now contributes only 3.2% of total revenue.
- Other connectivity revenue declined $36 million, or 9.9%, reflecting the divestment of Digital Island in FY25, the transition from legacy product to modern solutions, and the timing of hardware sales in IoT.
- Cloud revenue declined $2 million, or 0.9%, as customers continued to transition from private cloud to public cloud.
- Procurement and partners revenue increased $25 million, or 4.6%, driven by stronger hardware sales.
- IT service management revenue declined $12 million, or 10.3%, reflecting lower project activity as challenging economic conditions continued to dampen customer demand.
- Other product revenue increased $11 million, or 6.9%, driven by higher network infrastructure delivery revenue by Entelar.

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

Operating revenues and other gains (continued)

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

Adjusted revenues[4]

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

Operating expenses

Reported operating expenses[2]

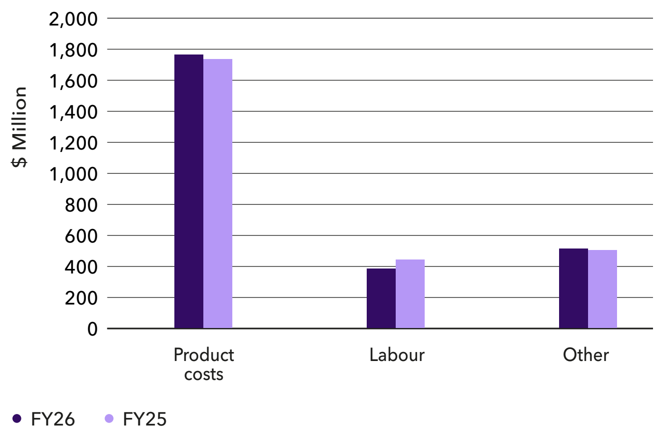
- Product costs increased $31 million, or 1.8%. Higher volumes, predominantly across mobile and procurement, drove a $66 million increase. This was partially offset by the cost reduction programme, which delivered $35 million of savings related to improved buying terms, exit of legacy products, and simplification.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

Adjusted operating expenses[4]

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

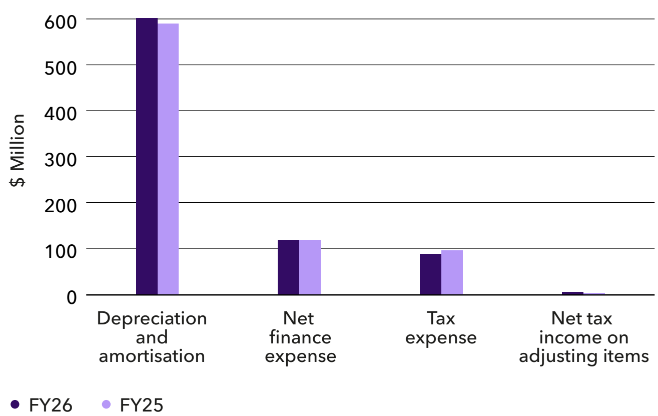
$2,654m
reported (down 0.7%)

$2,665m
adjusted (up 0.9%)



Other

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



Net earnings from discontinued operation

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

Operating cash flows

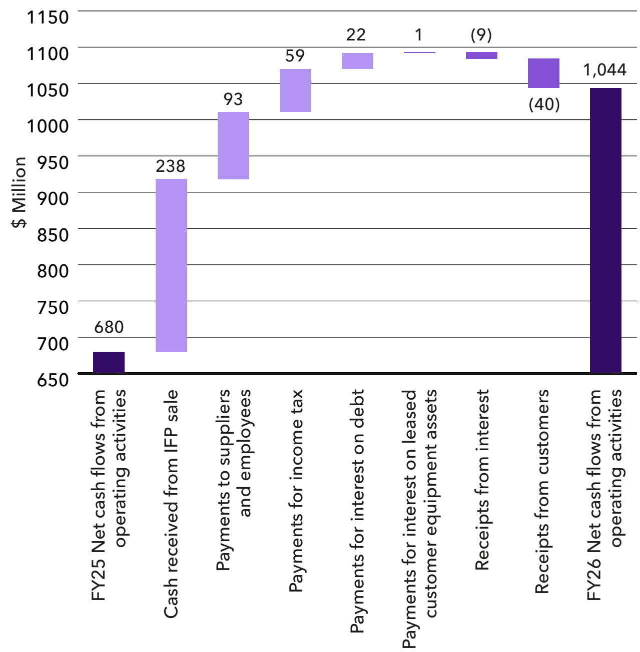
YEAR ENDED 30 JUNE	2026 $M	2025 $M
Net cash flows from operating activities	1,044	680
Net cash flows from investing activities	90	(112)
Net cash flows from financing activities	(1,011)	(593)
Net cash flows	**123**	**(25)**
Free cash flow[6]	**308**	**260**

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

Operating cash flows

$1,044m

(up 53.5%)



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

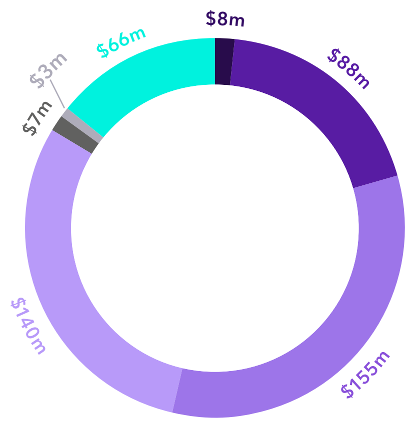
Capital expenditure[8]

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

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

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

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



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

Strategic Capex
- Data centres

Return on invested capital (ROIC)[10]

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

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

Our Board and Leadership Team

Our Board

Justine Smyth CNZM

Chair and Non-executive Director[1]

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

Warwick Bray

Non-executive Director

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

David Havercroft

Non-executive Director

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

Vince Hawksworth

Non-executive Director[2]

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

Jolie Hodson MNZM

Chief Executive and Executive Director

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

Lisa Nelson

Non-executive Director

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

Tarek Robbiati

Non-Executive Director

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

Lindsay Wright

Non-Executive Director

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

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

Leadership Team

Leela Ashford
Chief Marketing and Corporate Affairs Officer

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

Matt Bain
Chief AI and Technology Officer

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

Mark Beder
Chief Customer Officer Connectivity

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

Tommy Bjorkberg
Chief Operating Officer

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

Greg Clark
Interim Chief Customer Officer Digital Services

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

Heather Langton
Chief People and Culture Officer

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

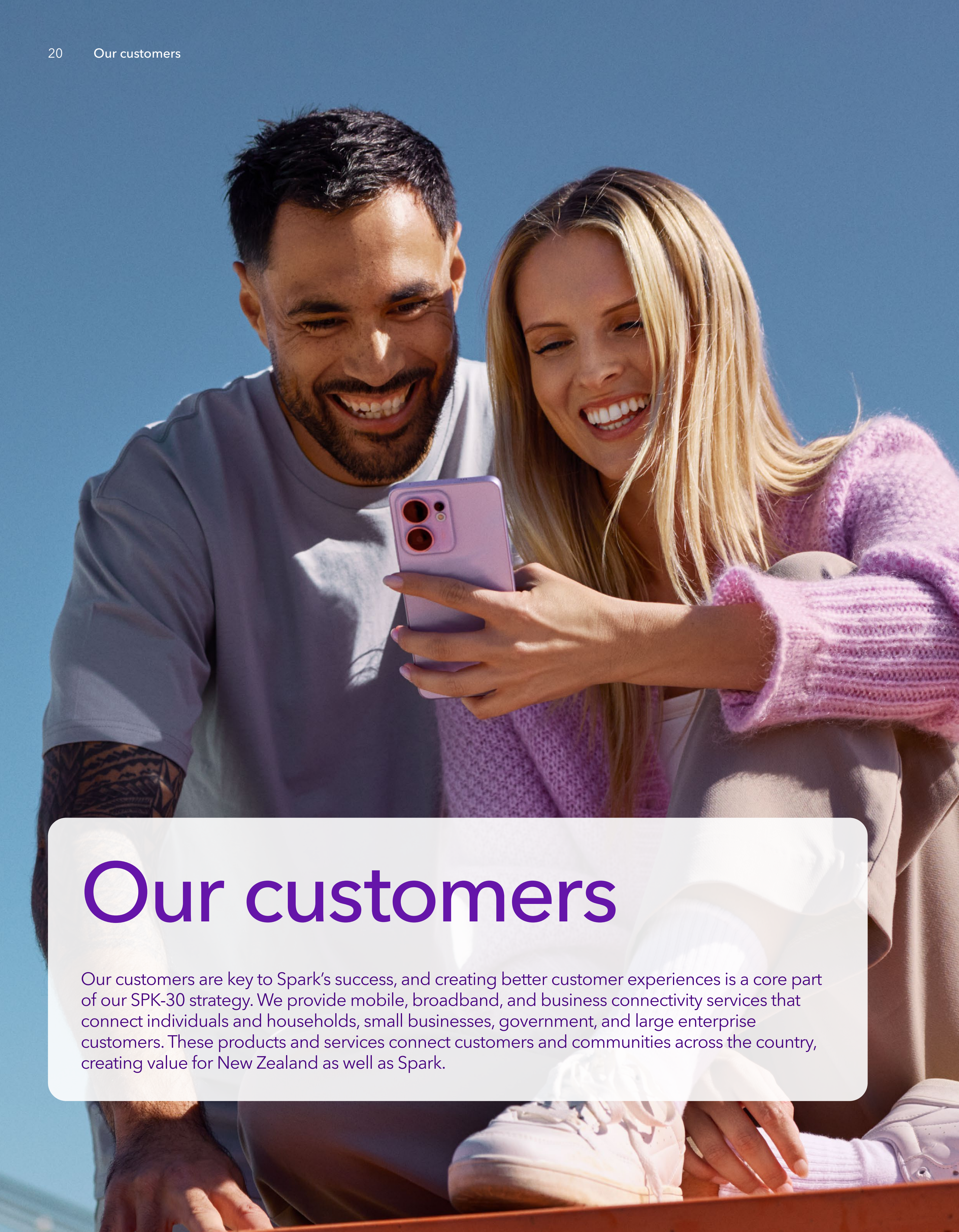
Stewart Taylor
Chief Financial Officer

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

John Wesley-Smith
Chief Legal and Strategy Officer

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

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



Our customers

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

It's better with Spark

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

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

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

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

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

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

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

Better customer experiences

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

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

+42

Customer interaction net promoter score up 2 points in FY26

Better online experiences

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

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

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

Using AI to improve customer experience

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

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

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

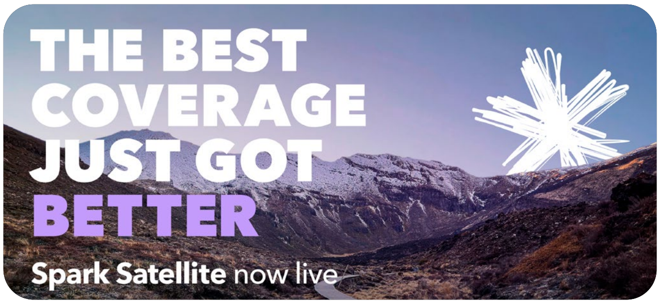
Enhancing our retail experience

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

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

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

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



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

146,000

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

Strengthening our mobile proposition

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

Launching satellite-to-mobile services

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

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

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

New and improved roaming experience

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

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

More value for Skinny customers

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

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

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

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

Connecting New Zealand businesses

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

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

Skinny launched a new AI brand ambassador campaign in FY26.

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

New Zealand's first Kids Plan

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

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

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

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

Supporting small-medium businesses to lift productivity

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

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

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

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

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

Port Nelson deploys private 5G network with Spark and Ericsson

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

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

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

110,000

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

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

Simplifying our digital services for better customer outcomes

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

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

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

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

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

1. CCL was Spark's cloud services business.

Keeping our customers safe online

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

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

Protecting customers and strengthening trust

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

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

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

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

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

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

Verified calling

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

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

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

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

Privacy

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

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

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

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

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

Cyber security

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

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

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

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

Our network and technology

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

Reliable and trusted network

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

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

Connectivity that's there when our customers need it

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

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

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

Uplifting network resilience

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

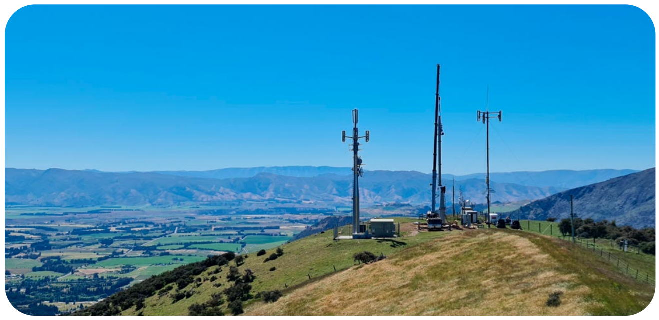
To manage these risks, Spark invests in a layered approach to resilience. Most cell sites are equipped with battery back up and generator capability. In FY26, we were awarded a contract by National Infrastructure Funding and Financing (NIFF), in partnership with Connexa to strengthen the resilience of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

295

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

99%

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



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

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

Spectrum

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

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

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

New value from advanced technologies

Real-time fraud protection through network APIs

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

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

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

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

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

Leveraging AI to improve our network and technology

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

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

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

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

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

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

Bringing 5G+ to New Zealand

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

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

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

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

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

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

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

Migrating customers off legacy technology onto future-proof alternatives

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

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

Completing our 3G network shut down

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

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

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

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

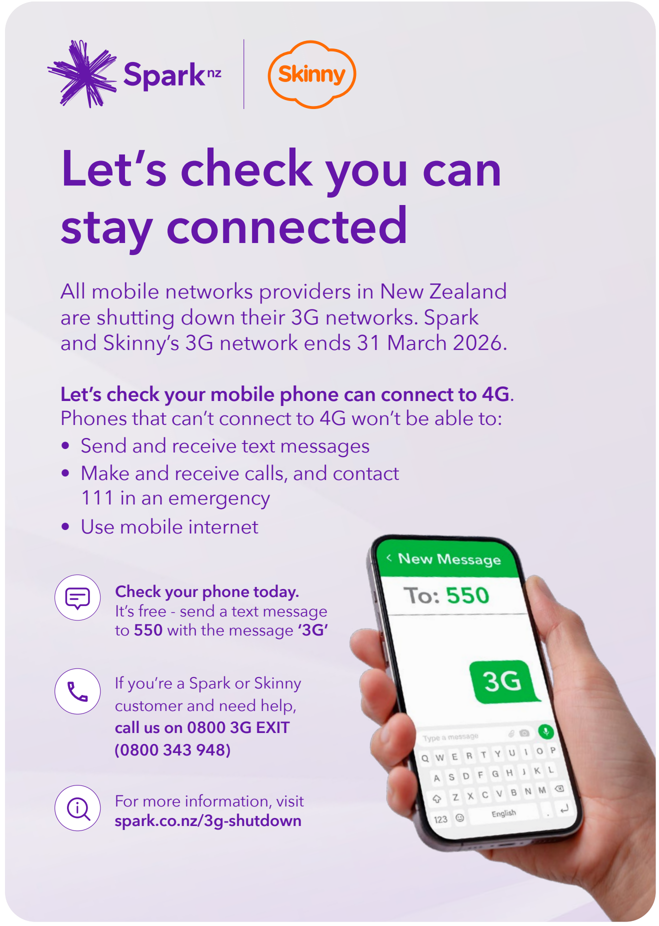
As an additional precautionary measure to keep customers safe, prior to the shut down, Spark also proactively blocked around 300 individual mobile phones that were able to make standard calls, texts and use data over 4G, but could not make emergency 111 calls on the 4G network due to manufacturer-imposed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

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

Retiring the Public Switched Telephone Network

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

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



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

Completing the sale of our data centres

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

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

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

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

Our environment

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

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

Commitment to responsible environmental management

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

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

Environmental reporting

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

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

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

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

Performance against our climate commitments

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

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

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

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

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

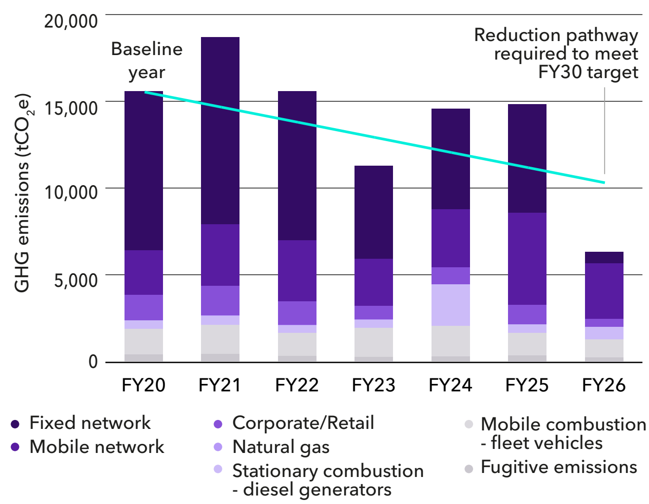
We saw a significant reduction in scope 1 and 2 emissions in FY26, both against our previous year and against our FY20 baseline. Year-on-year emissions reduced 57%, and are now tracking 59% below our FY20 base year, ahead of our FY30 target of a 56% reduction.

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

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

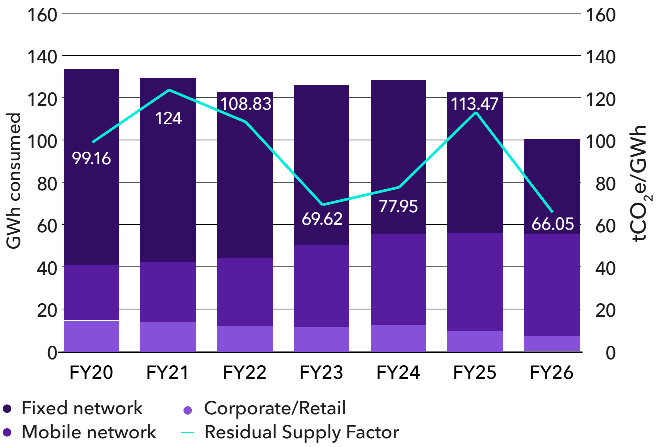
We were also able to reduce our reported scope 2 emissions through our ten-year renewable energy partnership with Genesis Energy, by linking emissions from electricity consumption to new renewable generation.

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



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

Electricity consumption



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

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

Reducing electronic waste

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

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

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

Engaging our people behind our sustainability commitment

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

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

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

>100

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

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

Harnessing the power of technology to improve environmental outcomes

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

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

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

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

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

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

Remuera Exchange: Smarter infrastructure, lower impact

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

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

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

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

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

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

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

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

Our communities

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

Championing digital equity

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

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

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

Improving access and affordability through Skinny Jump

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

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

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

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

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

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

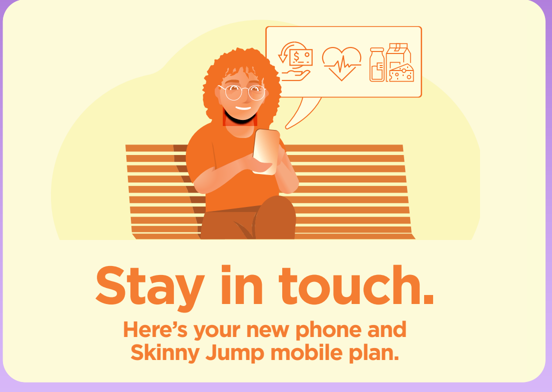
In FY26, the commercial value of the data provided to households in need through Skinny Jump, totalled over $9.1 million. Skinny Jump has been designed to operate on a not-for-profit basis – with the revenue generated covering the costs of the free modems, community partner network, product development,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

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

Skinny Jump Mobile

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

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



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

Spark Foundation

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

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

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

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

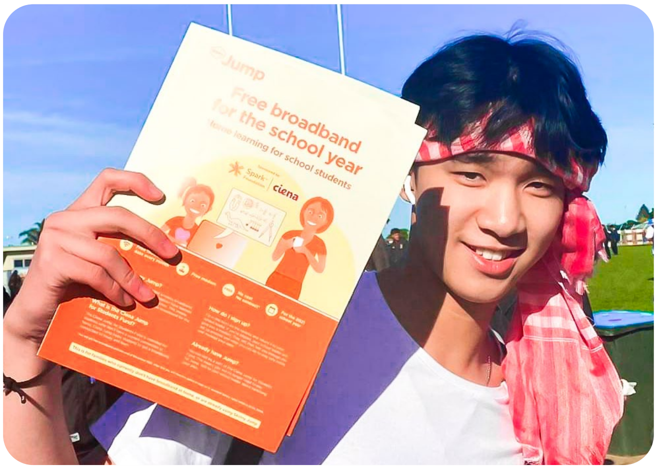
More information about Spark Foundation:
spark.co.nz/spark-foundation

34,913

Households across the country actively using Skinny Jump.

1,243

Students using the Ciena Jump for Students Fund.



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

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

Connecting our people to our communities

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

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

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

Tūrama Pathways

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

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

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

Partnering with GirlBoss NZ to expand Tūrama Pathways

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

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

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

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

Our people

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

People engagement

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

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

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

61%

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

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

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

Engaging our people behind our SPK-30 strategy

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

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

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

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

Investing in learning and development

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

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

Supporting an AI-capable workforce

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

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

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

Cultivating adaptive leaders to build high-performing teams

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

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

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

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

Upskilling our people and communities through Te Awe

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

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

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

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

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

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

Health, safety, and wellbeing

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

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

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

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

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

Diversity, equity, and inclusion

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

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

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

Spark team members celebrating Diwali at Spark City in Auckland.

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

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

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

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

Te Korowai Tupu

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

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

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

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

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

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

Our diversity and inclusion performance

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

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

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

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

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

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

Age distribution by role (with headcounts)

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

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

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

Reducing our gender pay gap

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

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

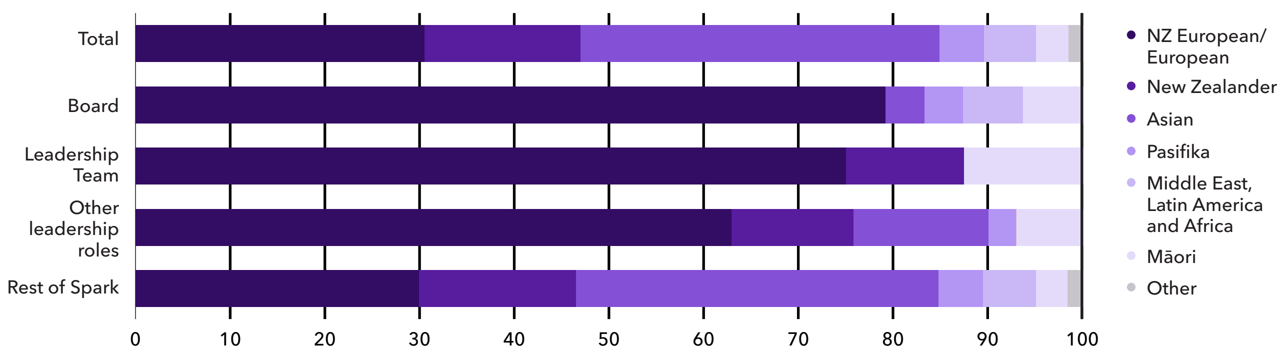
Category	Number of employees in category	Gender gap: mean[1]	Gender gap: median[2]
Leadership: CEO, Leadership Team and substantive roles that report directly to members of the Leadership Team	**FY26: 56 (34 Male, 22 Female)** FY25: 72 (39 Male, 33 Female)	**FY26: -1%** FY25: 4%	**FY26: 8%** FY25: 18%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

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

Focusing on improving ethnic representation

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

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



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

Remuneration Report

A note from David Havercroft
Chair of the HRCC

Kia ora,

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

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

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

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

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

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

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

Ngā mihi nui,

David Havercroft
Chair of the HRCC

Remuneration at Spark

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

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

Fixed remuneration

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

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

Short-term incentive schemes

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

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

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

FY26 Short-Term Incentive Scheme outcomes

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

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

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

FY27 Short-Term Incentive Scheme target

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

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

Long-term incentive schemes

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

FY23 Long-Term Incentive Scheme outcome

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

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

FY26 and FY27 long-term incentive schemes

FY26

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

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

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

FY27

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

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

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

FY27 transformation delivery incentive

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

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

Employee remuneration

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

Range	Current	Former	Total
$100,000 – $110,000	233	46	279
$110,001 – $120,000	182	27	209
$120,001 – $130,000	177	19	196
$130,001 – $140,000	199	6	205
$140,001 – $150,000	191	11	202
$150,001 – $160,000	164	6	170
$160,001 – $170,000	166	6	172
$170,001 – $180,000	144	7	151
$180,001 – $190,000	104	6	110
$190,001 – $200,000	68	8	76
$200,001 – $210,000	71	8	79
$210,001 – $220,000	40	8	48
$220,001 – $230,000	37	6	43
$230,001 – $240,000	25	7	32
$240,001 – $250,000	25	1	26
$250,001 – $260,000	14	4	18
$260,001 – $270,000	18	0	18
$270,001 – $280,000	9	3	12
$280,001 – $290,000	10	3	13
$290,001 – $300,000	12	0	12
$300,001 – $310,000	5	2	7
$310,001 – $320,000	8	1	9
$320,001 – $330,000	8	0	8
$330,001 – $340,000	6	0	6
$340,001 – $350,000	4	1	5
$350,001 – $360,000	1	0	1
$360,001 – $370,000	1	1	2
$370,001 – $380,000	0	1	1
$380,001 – $390,000	2	1	3
$390,001 – $400,000	3	0	3
$400,001 – $410,000	1	1	2
$410,001 – $420,000	2	0	2
$420,001 – $430,000	2	0	2
$430,001 – $440,000	3	0	3
$440,001 – $450,000	1	0	1
$450,001 – $460,000	1	0	1
$470,001 – $480,000	1	0	1
$480,001 – $490,000	1	0	1
$490,001 – $500,000	1	1	2
$500,001 – $510,000	0	1	1
$540,001 – $550,000	1	2	3
$590,001 – $600,000	0	1	1
$640,001 – $650,000	2	0	2
$720,001 – $730,000	1	0	1
$780,001 – $790,000	0	1	1
$880,001 – $890,000	1	0	1
$930,001 – $940,000	0	1	1
	1,945	**197**	**2,142**

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

Leadership Team remuneration

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

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

Remuneration mix

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

Leadership Team remuneration

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

Performance evaluation

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

CEO remuneration

Remuneration policy, strategy, and governance

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

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

CEO remuneration FY26

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

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

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

Remuneration components

Short-Term Incentive Scheme

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

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

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

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

Long-Term Incentive Scheme

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

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

Performance hurdles

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

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

CEO termination

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

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

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

CEO remuneration

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

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

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

FY27 CEO remuneration structure

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

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

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

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

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

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

Board remuneration

Director remuneration

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

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

Remuneration components

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

FY26 director remuneration

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

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

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

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

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

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

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

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

Other directors' fees

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

Governance

Corporate governance

Stock exchange listings

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

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

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

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

Maintaining high standards of corporate governance

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

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

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

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

Ethics and legal compliance

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

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

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

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

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

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

The Board

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

Strategic role of the Board

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

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

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

Board renewal and succession

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

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

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

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

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

Board skills matrix

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

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

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

Definitions of categories of capability:

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

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

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

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

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

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

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

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

Director independence

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

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

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

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

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

1 NZX Issuer Update – 11 March 2025

Board committees

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

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

Board and Committee meeting attendance for FY26

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

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

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

Company Secretary

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

Director interests

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

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

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

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

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

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

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

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

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

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

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

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

Directors' insurance

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

Shareholdings

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

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

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

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

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

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

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

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

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

Subsidiary company directors

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

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

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

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

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

Tax governance

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

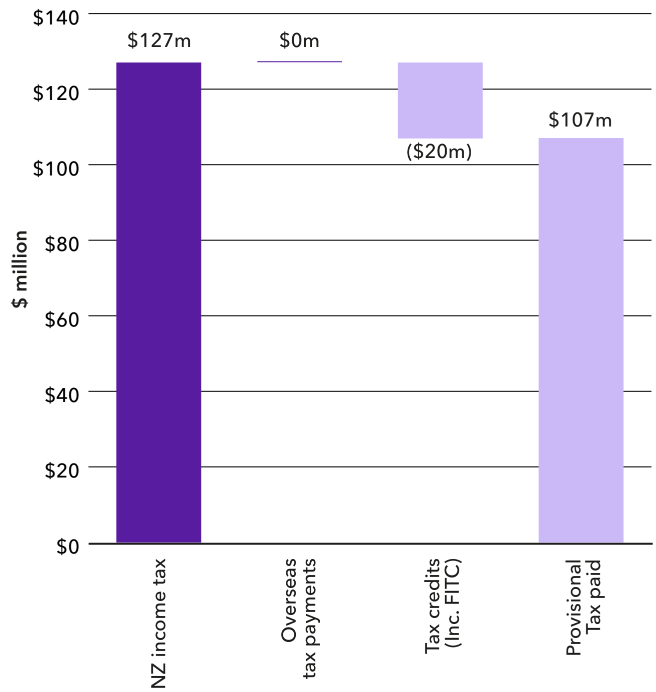
As a large business, we make a significant contribution to New Zealand's tax base, including contributing $107 million of New Zealand income taxes during FY26 (before any tax credits were applied).

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

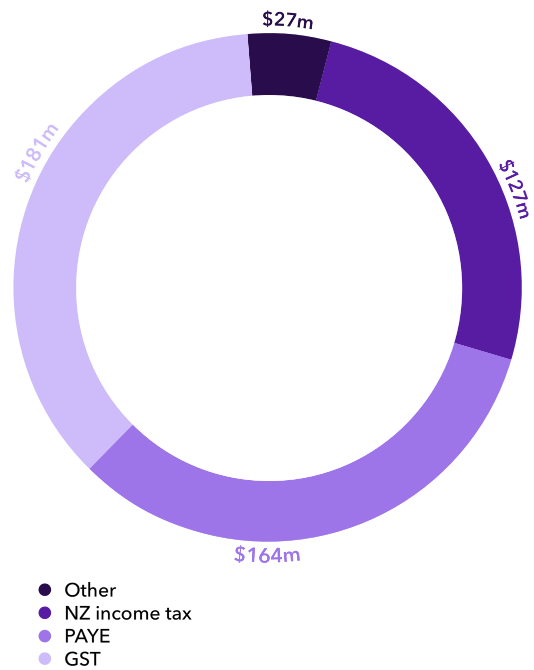
Spark's contribution extends beyond income tax and covers a broad range of tax collection and remittance obligations across various tax types. In FY26 those obligations resulted in a total of $499 million of taxes under management (FY25: $623m).

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

FY26 break down of income tax payments



Taxes under management



ESG governance

Our sustainability framework

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

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

Low-impact, high connectivity

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

Equitable and trusted

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

In our business

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

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

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

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

Suppliers and partners

Engage our suppliers to address our upstream environmental impacts

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

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

KPI: Five annual JAC audits driving issue identification and remediation

Customers and communities

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

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

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

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

Integrating ESG into our governance processes

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

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

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

Data ethics and governance

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

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

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

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

Sustainability governance at Spark

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

Benchmarking our ESG performance

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

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

ESG reporting

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

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

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

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

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

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

Risk management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Spark's principal business risks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Business continuity and crisis management

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

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

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

Financial statements

Financial statements

Statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE

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

See accompanying notes to the financial statements.

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

Statement of financial position

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

See accompanying notes to the financial statements.

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

On behalf of the Board

Justine Smyth, CNZM
Chair

Jolie Hodson, MNZM
Chief Executive

Authorised for issue on 20 August 2026

Statement of changes in equity

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

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

See accompanying notes to the financial statements.

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

Statement of cash flows

YEAR ENDED 30 JUNE

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

See accompanying notes to the financial statements.

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

Section 1 General information

1.1 About this report

Reporting entity

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

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

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

Basis of preparation

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

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

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

New and amended standards

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

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) will replace NZ IAS 1 *Presentation of Financial Statements* and may have a material impact on Spark's disclosures. NZ IFRS 18 has been issued but is not yet effective until periods commencing on or after 1 January 2027. NZ IFRS 18 sets out the requirements for the presentation and disclosure of information in financial statements, and will not change net profit reported, but how results are presented on the statement of profit or loss and other comprehensive income and what information is disclosed in the notes. Spark is currently assessing the disclosure impacts of this standard. The key changes of NZ IFRS 18 are expected to be:

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

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

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

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

There are no other new standards, amendments or interpretations that have been issued as at 30 June 2026, and are not yet effective, that are expected to have a significant impact on the financial statements of Spark.

NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

1.2 Key estimates and assumptions

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

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

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

1.3 Significant transactions and events

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

Dividends (see note 4.5)

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

Debt programme (see notes 4.3 and 5.2)

- On 27 November 2025, Spark announced it has extended the term of its existing $125 million committed revolving sustainability linked loan facility with MUFG Bank, Ltd by one year, to mature on 30 November 2026. This facility has been cancelled and replaced by the new bank facilities below.
- On 29 May 2026, Spark announced it has established a new suite of committed bank facilities totalling $500 million across multiple banks who are high-credit quality financial institutions in line with our treasury policy. One facility of $65 million will mature on 29 May 2029, two facilities totalling $100 million will mature on 29 May 2030, and two facilities totalling $135 million will mature on 29 May 2031. In addition, three facilities totalling $200 million are evergreen loans, which have no fixed maturity date and remain available until the notice period expires following cancellation by the lending banks. These new facilities replace all previously held bank facilities.

Long-term investments (see note 3.3)

- On 23 June 2025, Spark announced that it had accepted an offer from Hutchison Telecommunications (Amsterdam) BV, an indirect wholly owned subsidiary of CK Hutchison Holdings Limited, to sell its 10% shareholding in Hutchison Telecommunications (Australia) Limited (Hutchison) at AU$0.032 per share. The transfer of shares completed on 25 June 2025, with NZ$48 million cash proceeds received on 17 July 2025 which are presented in the statement of cash flows for the year ended 30 June 2026. As at 30 June 2025, Spark transferred the cumulative revaluation losses previously recognised through other comprehensive income to retained earnings in the statement of changes in equity.
- Spark received a $21 million dividend in June 2026 from Southern Cross Cables Holdings Limited investment.

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

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

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

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

Sale of IFP receivables (see note 1.5)

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

1.4 Sale of data centre business – discontinued operation

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

The discontinued operation's net earnings are as follows:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

Contingent consideration receivable

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

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

Movements in the contingent consideration receivable are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS: GENERAL INFORMATION

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

Key estimates and assumptions

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

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

1.5 Sale of IFP receivables

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

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

Derecognition of financial assets

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

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

Continuing involvement

Spark derecognised the IFP receivables sold to Challenger except for the extent of its continuing involvement which represents the maximum amount of consideration that Spark may be required to repay in relation to the IFP discounts over the life of the plan. Given the continuing involvement, which Spark has retained control over, Spark has neither transferred nor retained substantially all the risks and rewards of ownership which is primarily credit risk. Continuing involvement balances are presented within receivables and payables respectively. Where unbilled customer discounts relating to the transferred receivables are recognised as a discount liability under NZ IFRS 15 *Revenue from Contracts with Customers*, that liability is presented as a reduction of the continuing involvement asset in the statement of financial position.

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

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

1.5 Sale of IFP receivables (continued)

Key estimates and assumptions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

Section 2 Financial performance information

2.1 Segment information

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

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

Changes to segment results classification:

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

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

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

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

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

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

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

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

2.2 Operating revenues and other gains

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

Contracts with customers

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.2 Operating revenues and other gains (continued)

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

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

Other products

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

Other gains

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

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

2.2 Operating revenues and other gains (continued)

Key estimates and assumptions

Determining the transaction price

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

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

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

Distinct goods and services

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

Timing of satisfaction of performance obligations

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.3 Operating expenses

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

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

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

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

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

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

Auditor's remuneration

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures

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

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

Spark calculates EBITDAI from continuing operations by taking net earnings from continuing operations, adding back finance expense, depreciation and amortisation, and income tax expense, subtracting finance income, and adjusting for net investment (loss)/income (which includes Spark's share of net profits or losses from associates and joint ventures, interest income on loans receivable from associates and joint ventures, fair value gain on receivables measured at FVTPL, and dividend income). A reconciliation of Spark's EBITDAI from continuing operations is provided below and based on amounts taken from, and consistent with, those presented in these financial statements.

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

2.5 Non–GAAP measures (continued)

Adjusted EBITDAI and adjusted net earnings

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

2

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

Capital expenditure

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL PERFORMANCE INFORMATION

2.5 Non-GAAP measures (continued)

Net debt

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

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

Net tangible assets

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

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

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

Section 3 Assets

3.1 Receivables and prepayments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Contract costs

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

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

Key estimates and assumptions

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

Expected credit loss allowance provision

Movements in the loss allowance provision are as follows:

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

3.1 Receivables and prepayments (continued)

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

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

AS AT 30 JUNE 2026	CURRENT $M	≤ 1 MONTH $M	> 1 MONTH $M	TOTAL $M
Expected loss rate	1.0%	0.7%	6.3%	1.5%
Gross carrying amount	693	136	96	925
Expected credit loss allowance provision	**7**	**1**	**6**	**14**
Short-term loss allowance provision	5	1	6	12
Long-term loss allowance provision	2	–	–	2

AS AT 30 JUNE 2025				
Expected loss rate	1.6%	0.5%	15.6%	1.9%
Gross carrying amount	892	198	45	1,135
Expected credit loss allowance provision	**14**	**1**	**7**	**22**
Short-term loss allowance provision	10	1	7	18
Long-term loss allowance provision	4	–	–	4

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

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

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

Key estimates and assumptions

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

Spark considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to Spark in full, without recourse by Spark to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.1 Receivables and prepayments (continued)

Finance lease receivables

Spark has a number of leases for space in exchange buildings, including as a lessor for space in Spark exchanges and a lessee for space in Chorus exchanges. These leases include a legal right of offset, as Spark and Chorus settle the payments on a net basis, and are therefore shown as a net finance lease receivable or net lease liability on the statement of financial position.

In FY26, Spark assigned its leases for two data centres to TenPeaks. In FY25, Spark assigned its leases for its former corporate office in Victoria Street, Auckland to a third party. In FY23, Spark assigned its ground leases for the mobile site assets sold to Connexa. As a result, Spark recorded finance lease receivables equal to the lease liabilities for these leases. Spark is unwinding these balances over the remaining term to the next right of renewal, at which point they will be terminated or novated.

In addition, Spark subleases a number of office building floors. Where subleases are for the whole of the remaining non-cancellable term of the head lease, these are classified as a finance lease.

The profile of lease net receipts is set out below:

	2026		2025	
AS AT 30 JUNE	UNDISCOUNTED $M	DISCOUNTED $M	UNDISCOUNTED $M	DISCOUNTED $M
Less than one year	23	14	20	13
Between one and five years	51	21	51	26
More than five years	146	85	129	70
Net finance lease receivables	**220**	**120**	**200**	**109**
Less: unearned finance income	(100)	–	(91)	–
Present value of finance lease receivables	**120**	**120**	**109**	**109**
Short-term finance lease receivables		14		13
Long-term finance lease receivables		106		96

The lease with Chorus, where Spark is the lessor, has multiple rights of renewals and the full lease term has been used in the majority of the calculation of the financial lease receivable at lease inception, as it was likely that because of the specialised nature of the buildings, the lease would be renewed to the maximum term.

3.2 Inventories

AS AT 30 JUNE	2026 $M	2025 $M
Goods held for resale	94	83
Total inventories	**94**	**83**

3.3 Long-term investments

AS AT 30 JUNE	MEASUREMENT BASIS	2026 $M	2025 $M
Investment in associates and joint ventures	Equity method	153	73
Other long-term investments	Cost	3	3
		156	**76**

Following the completion of the sale of the data centre business on 30 January 2026, Spark's 25% interest in TenPeaks is equity accounted for as an investment in associate. Spark has significant influence over TenPeaks but does not control the entity. Significant influence arises from Spark's equity interest and governance arrangements, including representation on the board and participation in relevant decision-making processes.

The investment in TenPeaks was initially recognised at $104 million (includes $20 million contingent share consideration) which is the fair value of Spark's retained interest at the sale completion date. Subsequently, the carrying amount was adjusted to recognise Spark's share of profit or loss, other comprehensive income, and any dividends received. As of 30 June 2026, the carrying amount of the investment in TenPeaks is $103 million.

In FY26, Spark received a dividend of $21 million from Southern Cross Cables Holdings Limited (FY25: $17 million return of capital was received from Southern Cross Cables Holdings Limited).

On 25 June 2025, Spark sold its 10% shareholding in Hutchison for AU$0.032 per share, with $48 million cash proceeds received on 17 July 2025.

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 30 June 2026 consists of the following:

NAME	TYPE	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Flok Limited	Associate	New Zealand	38%	Hardware and software development
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development
TenPeaks HoldCo Limited	Associate	New Zealand	25%	Data centre infrastructure

All investments in associates and joint ventures are measured using the equity method. Changes in the aggregate carrying amount of Spark's investment in associates and joint ventures were as follows:

		2026			2025		
YEAR ENDED 30 JUNE	NOTES	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M	ASSOCIATES $M	JOINT VENTURES $M	TOTAL $M
Opening balance as at 1 July		56	17	73	143	18	161
Additional investments during the year		104	–	104	–	–	–
Disposals		–	–	–	(65)	–	(65)
Dividends/return of capital	1.3	(21)	–	(21)	(17)	–	(17)
Share of net losses	2.4	–	(2)	(2)	(5)	(1)	(6)
Other		(1)	–	(1)	–	–	–
Closing balance as at 30 June		**138**	**15**	**153**	**56**	**17**	**73**

Spark has suspended equity accounting for Pacific Carriage Holdings Limited Inc and Southern Cross Cables Holdings Limited (together 'Southern Cross') as their carrying values were reduced to nil. Spark has no obligation to fund Southern Cross deficits or repay dividends. For the year ended 30 June 2026, Spark's share of Southern Cross profits was not recognised because of the existence of historic cumulative Southern Cross deficits. In the current year, Southern Cross profit was $44 million (30 June 2025: profit of $53 million).

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.4 Right-of-use assets

Spark is a lessee for a large number of leases, including:

- Property – Spark leases a number of office buildings and retail stores. Some of these leases have rights of renewal that are reasonably certain to be exercised and therefore may have long expected lease terms
- Capacity arrangements – Spark enters into a number of indefeasible right-of-use capacity arrangements for cable capacity
- Mobile sites – Spark has entered into a number of agreements to allow the operation of mobile network infrastructure throughout New Zealand
- Motor vehicles – Spark leases motor vehicles for use in sales, field operations, and maintenance of infrastructure equipment
- IT storage and compute – Spark leases IT capacity infrastructure including racks to process, store, and manage data for use in providing services to customers
- Other – Spark leases equipment that is held at Spark premises and used to provide services to customers or for Spark's own use.

Movements in right-of-use assets are summarised below:

YEAR ENDED 30 JUNE 2026	NOTE	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		182	176	110	2	80	5	555
Additions and acquisitions		9	14	38	–	26	5	92
Disposals		(5)	–	(1)	–	–	–	(6)
Assets transferred back from held for sale		3	–	–	–	–	–	3
Remeasurements		3	–	–	1	–	–	4
Depreciation charge	2.4	(34)	(25)	(14)	(2)	(34)	(2)	(111)
Closing net book value		**158**	**165**	**133**	**1**	**72**	**8**	**537**

YEAR ENDED 30 JUNE 2025	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening net book value		132	197	78	5	72	3	487
Additions and acquisitions		105	3	38	–	36	3	185
Disposals		(22)	–	(1)	(1)	–	–	(24)
Assets classified as held for sale		(3)	–	–	–	–	–	(3)
Remeasurements		6	1	5	–	1	1	14
Depreciation charge[1]	1.4, 2.4	(36)	(25)	(10)	(2)	(29)	(2)	(104)
Closing net book value		**182**	**176**	**110**	**2**	**80**	**5**	**555**

1. Depreciation includes charges for continuing and discontinued operations in FY25.

All capacity additions for the years ended 30 June 2026 and 30 June 2025 were fully paid on control being obtained and therefore deemed capital expenditure, which is a non-GAAP measure, as defined and reconciled in note 2.5.

Income from subleasing right-of-use assets for the year ended 30 June 2026 was $2 million (30 June 2025: $1 million).

3.4 Right-of-use assets (continued)

Key estimates and assumptions

At inception of a contract Spark assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Spark assesses whether:

- The contract involves the use of an identified asset
- Spark has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- Spark has the right to direct the use of the asset

At inception or on reassessment of a contract that contains a lease component, Spark allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. Spark recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically assessed for impairment losses and adjusted for certain remeasurements of the lease liability.

3

3.5 Leased customer equipment assets

Spark acts as the intermediate party (as a lessee and a lessor) in a number of lease arrangements for customer premises equipment. Such arrangements may also include an initial sale and leaseback transaction. A sale and leaseback transaction contains a genuine sale if control of an asset is transferred under NZ IFRS 15. For Spark's back-to-back lease arrangements we have assessed that a sale does not occur, as control over the equipment remains with Spark instead of passing to the buyer-lessor. Spark also acts as a lessor, where there is no intermediate party, for customer premises equipment.

Spark as the seller-lessee or lessor (when the lease is an operating lease) continues to recognise the leased customer equipment asset, which is initially measured at cost. The assets are subsequently depreciated using the straight-line method based on their estimated useful lives. Movements in leased customer equipment assets are summarised below:

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Opening net book value		59	70
Additions		37	17
Disposals		(3)	(1)
Depreciation charge	2.4	(27)	(27)
Closing net book value		**66**	**59**
AS AT 30 JUNE			
Cost		220	210
Accumulated depreciation and impairment losses		(154)	(151)
Closing net book value		**66**	**59**

Leased customer equipment assets are leased to customers under operating leases. Revenue received from these arrangements and other operating leases for the year ended 30 June 2026, including from discontinued operation, was $55 million (30 June 2025: $62 million).

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.6 Property, plant, and equipment

YEAR ENDED 30 JUNE 2026	NOTES	TELECOMMUNI-CATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		710	50	176	139	109	1,184
Additions and acquisitions[1]	2.5	–	–	–	–	232	232
Transfers		183	–	4	34	(221)	–
Depreciation charge	2.4	(210)	–	(20)	(40)	–	(270)
Closing net book value		**683**	**50**	**160**	**133**	**120**	**1,146**
AS AT 30 JUNE 2026							
Cost		3,573	50	505	465	120	4,713
Accumulated depreciation and impairment losses		(2,890)	–	(345)	(332)	–	(3,567)
Closing net book value		**683**	**50**	**160**	**133**	**120**	**1,146**

YEAR ENDED 30 JUNE 2025	NOTES	TELECOMMUNI-CATIONS EQUIPMENT AND PLANT $M	FREEHOLD LAND $M	BUILDINGS $M	OTHER ASSETS $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		792	59	260	85	198	1,394
Additions and acquisitions[1]	2.5	–	–	–	–	316	316
Assets classified as held for sale	1.4	(98)	(9)	(88)	(1)	(40)	(236)
Transfers		238	–	30	95	(363)	–
Disposals		–	–	–	(1)	(2)	(3)
Depreciation charge[2]	1.4, 2.4	(222)	–	(26)	(39)	–	(287)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**
AS AT 30 JUNE 2025							
Cost		3,581	50	508	572	109	4,820
Accumulated depreciation and impairment losses		(2,871)	–	(332)	(433)	–	(3,636)
Closing net book value		**710**	**50**	**176**	**139**	**109**	**1,184**

1. Included in additions is $16 million (30 June 2025: $44 million) of assets fully funded by customers or vendors.
2. Depreciation includes charges for continuing and discontinued operations in FY25.

3.6 Property, plant, and equipment (continued)

Joint arrangement

Spark has a joint arrangement relating to the construction and operation of the Tasman Global Access fibre-optic submarine cable between Australia and New Zealand. As at 30 June 2026, the carrying values of Spark's share of property, plant, and equipment, and capacity right-of-use assets in the joint operation were $11 million and $18 million, respectively (30 June 2025: $10 million and $19 million, respectively).

Key estimates and assumptions

Spark's property, plant, and equipment is measured at cost and depreciation is charged on a straight-line basis over the assets' estimated useful lives. Determining the appropriate useful life of property, plant, and equipment requires management judgement, including the expected period of service potential, the likelihood technological advances will make the asset obsolete, the likelihood of Spark ceasing to use it, and the effect of government regulation.

The estimated useful lives of Spark's property, plant, and equipment are as follows:

Telecommunications equipment	
Links and cables	9 – 50 years
Network transport	2 – 15 years
Mobile radio access network	5 – 25 years
Customer premises equipment	3 – 5 years
International cable and satellite	10 – 15 years
Buildings	
Buildings	15 – 53 years
Furniture and fittings	3 – 20 years
Air conditioning	5 – 20 years
Power systems	3 – 25 years
Batteries	5 – 15 years
Other	
Motor vehicles	6 years
Computer equipment	2 – 8 years
Internal IT system assets	3 – 15 years

The assessment of assets for impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, the discontinuance of services, the expected future cash flows an asset is expected to generate, and other changes in circumstances that indicate an impairment exists. Key judgements include rates of expected revenue growth or decline, expected future margins, and the selection of an appropriate discount rate for valuing future cash flows.

NOTES TO THE FINANCIAL STATEMENTS: ASSETS

3.7 Intangible assets

YEAR ENDED 30 JUNE 2026	NOTES	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		381	145	8	230	40	804
Additions and acquisitions[1]	2.5	–	7	–	–	171	178
Transfers		159	–	–	–	(160)	(1)
Amortisation charge	2.4	(173)	(19)	(2)	–	–	(194)
Closing net book value		**367**	**133**	**6**	**230**	**51**	**787**
AS AT 30 JUNE 2026							
Cost		2,103	361	74	278	51	2,867
Accumulated amortisation and impairment losses		(1,736)	(228)	(68)	(48)	–	(2,080)
Closing net book value		**367**	**133**	**6**	**230**	**51**	**787**

YEAR ENDED 30 JUNE 2025	NOTES	SOFTWARE $M	SPECTRUM LICENCES $M	OTHER INTANGIBLES $M	GOODWILL $M	WORK IN PROGRESS $M	TOTAL $M
Opening net book value		352	163	15	244	77	851
Additions and acquisitions[1]	2.5	–	–	–	–	157	157
Assets classified as held for sale	1.4	–	–	–	(10)	(1)	(11)
Transfers		192	–	1	–	(193)	–
Disposals		–	–	(3)	(4)	–	(7)
Amortisation charge	2.4	(163)	(18)	(5)	–	–	(186)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**
AS AT 30 JUNE 2025							
Cost		1,957	355	73	278	40	2,703
Accumulated amortisation and impairment losses		(1,576)	(210)	(65)	(48)	–	(1,899)
Closing net book value		**381**	**145**	**8**	**230**	**40**	**804**

1. FY25 additions included $3 million of assets fully funded by customers or vendors. Total software capitalised in the year ended 30 June 2026 includes $85 million (30 June 2025: $97 million) of internally generated assets. Other software capitalised in the year includes software licences and externally supplied labour.

Key estimates and assumptions

Intangible assets are amortised over their useful lives on a straight-line basis, except goodwill, which is tested for impairment annually. Determining the appropriate useful life of an intangible asset requires management judgement, including assessing the expected period of service potential, the likelihood technological advances will make it obsolete, and the likelihood of Spark ceasing to use it.

The estimated useful lives of Spark's intangible assets are as follows:

Spectrum licences	2 – 21 years
Software	2 – 16 years
Customer contracts and brands	5 – 10 years
Other intangible assets	2 – 100 years

3.7 Intangible assets (continued)

Goodwill

Goodwill by cash-generating unit (CGU) is presented below:

AS AT 30 JUNE	2026 $M	2025 $M
Mobile	47	47
Broadband	3	3
Other connectivity	75	75
Cloud	52	52
IT services management	43	43
Other products	10	10
	230	**230**

The comparative goodwill balances have been reclassified to align with the revised segment presentation disclosed in note 2.1.

During the years ended 30 June 2026 and 30 June 2025, no impairment arose as a result of the assessment of the carrying value of goodwill. Headroom currently exists in each CGU and, based on the sensitivity analysis performed, no reasonably possible changes in the assumptions would cause the carrying amount of the CGUs to exceed their recoverable amounts.

Key estimates and assumptions

Goodwill is assessed annually for impairment using a value-in-use model, which estimates the future cash flows, based on the FY26 Board-approved business plan, applied to the next three years, with key assumptions being forecast earnings and capital expenditure for each CGU. The forecast financial information is based on both past experience and future expectations of CGU performance. The key inputs and assumptions used in performing an impairment assessment that require judgement include revenue forecasts, operating cost projections, customer numbers and customer churn, discount rates, growth rates, and future technology paths.

Nil terminal growth was applied to all CGUs and a pre-tax discount rate of 11.4% was utilised for the year ended 30 June 2026 (30 June 2025: 11.0%). Management considers that the risk aspects, prospects, and exposure are sufficiently similar to apply these rates across all CGU's.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

Section 4 Liabilities and equity

4.1 Payables, accruals, and provisions

AS AT 30 JUNE	2026 $M	2025 $M
Short-term payables, accruals, and provisions		
Trade accounts payable and accruals	383	321
Revenue billed in advance	130	111
Accrued personnel costs	34	29
Accrued interest	3	4
GST payable	42	36
Short-term sale and leaseback liabilities	16	18
Short-term provisions	9	8
Other short-term payables and accruals[1]	36	9
	653	**536**
Long-term payables, accruals, and provisions		
Long-term sale and leaseback liabilities	35	31
Long-term revenue billed in advance	11	13
Long-term provisions	3	3
Other long-term payables and accruals[1]	16	2
	65	**49**

1. These balances have been impacted by the sale of IFP receivables. See note 1.5 for more details.

Trade accounts payable and sale and leaseback liabilities are financial instruments held at amortised cost.

Provisions

The following table summarises movements in provisions in the year:

YEAR ENDED 30 JUNE 2026	SPARK SPORT PROVISION $M	MAKE-GOOD PROVISIONS $M	TOTAL $M
Opening balance as at 1 July	7	4	11
Additional provisions made in the year	1	8	9
Amounts utilised during the year	(7)	(2)	(9)
Unwinding of discount	1	1	2
Reversal of unused provisions	–	(1)	(1)
Closing balance at 30 June	**2**	**10**	**12**
Short-term provisions	2	7	9
Long-term provisions	–	3	3

4.2 Lease liabilities

YEAR ENDED 30 JUNE 2026	NOTE	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance		267	2	499	2	91	6	867
Leases entered into during the year		9	1	39	–	32	5	86
Disposals		(1)	–	(3)	–	–	–	(4)
Liabilities transferred back from held for sale		3	–	–	–	–	–	3
Interest expense	2.4	13	–	33	–	5	–	51
Principal repayments		(60)	(1)	(64)	(2)	(41)	(2)	(170)
Remeasurements		1	–	(3)	1	–	–	(1)
Balance at the end of the year		**232**	**2**	**501**	**1**	**87**	**9**	**832**
Short-term lease liabilities		38	1	31	1	33	3	107
Long-term lease liabilities		194	1	470	–	54	6	725
Lease liabilities – non-cancellable commitments[1]		**225**	**2**	**882**	**1**	**87**	**9**	**1,206**

YEAR ENDED 30 JUNE 2025	NOTES	PROPERTY $M	CAPACITY $M	MOBILE SITES $M	MOTOR VEHICLES $M	IT STORAGE AND COMPUTE $M	OTHER $M	TOTAL $M
Opening lease liability balance		162	2	488	5	79	5	741
Leases entered into during the year		148	–	38	–	37	3	226
Disposals		(4)	–	(8)	–	–	–	(12)
Liabilities classified as held for sale	1.4	(4)	–	–	–	–	–	(4)
Interest expense	2.4	12	–	33	–	6	–	51
Principal repayments		(53)	(1)	(60)	(3)	(32)	(2)	(151)
Remeasurements		6	1	8	–	1	–	16
Balance at the end of the year		**267**	**2**	**499**	**2**	**91**	**6**	**867**
Short-term lease liabilities		40	–	34	1	30	2	107
Long-term lease liabilities		227	2	465	1	61	4	760
Lease liabilities - non-cancellable commitments[1]		**251**	**2**	**687**	**2**	**91**	**6**	**1,039**

1. Relates to the discounted lease liability for future minimum rental commitments for non-cancellable periods of leases, excluding rights of renewal, which are at Spark's option, including leases committed to that have not yet commenced.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.2 Lease liabilities (continued)

Key estimates and assumptions

Spark recognises a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Spark's incremental borrowing rate. Generally Spark uses its incremental borrowing rate as the discount rate, with adjustments for the type and term of the lease.

Lease payments included in the measurement of the lease liability which comprise:

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable under a residual value guarantee
- The exercise price under a purchase option that Spark is reasonably certain to exercise
- Lease payments in an optional renewal period if Spark is reasonably certain to exercise an extension option

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Spark's estimate of the amount expected to be payable under a residual value guarantee or if Spark changes its assessment of whether it will exercise a purchase or extension option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Spark has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets. Spark recognises the lease payments associated with these leases within operating expenses on a straight-line basis over their lease terms.

4.3 Debt

Debt is recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, debt is classified and measured at amortised cost plus, for hedged liabilities that are in a fair value hedging relationship, adjustments for fair value changes attributable to the risk being hedged. Any difference between cost and redemption value (including fair value changes) is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings, using the effective interest rate method.

AS AT 30 JUNE	NOTES	FACILITY	COUPON RATE	MATURITY	2026 $M	2025 $M
Current debt						
Commercial paper			Variable	< 3 months	20	150
					20	**150**
Supplier financing arrangements[1]			Variable	< 30/09/2042	20	32
					20	**32**
Bank funding						
MUFG Bank Ltd[2]		125 million NZD	Variable	29/05/2026	–	125
					–	**125**
Domestic notes						
125 million NZD	5.1		3.94%	07/09/2026	125	–
					125	**–**
Foreign currency Medium Term Notes						
Australian Medium Term Notes – 100 million AUD	5.1		1.90%	05/06/2026	–	105
					–	**105**
Total current debt	4.4				**165**	**412**
Non-current debt						
Supplier financing arrangements[1]			Variable	< 30/09/2042	14	28
					14	**28**
Bank funding						
Commonwealth Bank of Australia[2]		100 million NZD	Variable	30/11/2027	–	70
					–	**70**
Domestic notes						
125 million NZD	5.1		3.94%	07/09/2026	–	124
100 million NZD[3]			4.37%	29/09/2028	100	100
125 million NZD	5.1		5.21%	18/09/2029	128	129
175 million NZD	5.1		5.45%	18/09/2031	181	182
					409	**535**
Foreign currency Medium Term Notes						
Australian Medium Term Notes – 150 million AUD	5.1		4.00%	20/10/2027	179	160
Australian Medium Term Notes – 125 million AUD	5.1		2.60%	18/03/2030	136	123
Norwegian Medium Term Notes – 1 billion NOK[4]	5.1		3.07%	19/03/2029	166	154
					481	**437**
Total non-current debt	4.4				**904**	**1,070**
Total debt					**1,069**	**1,482**

1. With respect to arrangements with outstanding liabilities during the year, including those entered into in prior years, financing providers have paid suppliers a total of $113 million, Spark has accrued interest of $7 million and made payments against these arrangements of $86 million, resulting in a closing liability of $34 million as at 30 June 2026 (30 June 2025: financers have paid suppliers $109 million, Spark has accrued interest of $5 million and made payments against these arrangements of $54 million, resulting in a closing liability of $60 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities. These supplier financing arrangements have extended payment terms ranging from two to nineteen years from initial supplier financing arrangement commencement dates, generally with monthly or yearly repayments. Comparable trade payables have payment terms ranging from 30 days to 60 days. There are no security or guarantees provided relating to these arrangements. There were no significant non-cash changes in the carrying amounts of these supplier financing arrangements.
2. These facilities were sustainability linked loans which have been cancelled in FY26 and replaced by a new suite of committed bank facilities which are not sustainability linked.
3. This bond is a sustainability linked bond. The bond includes an increase to interest rate if the sustainability target is not achieved. The target was achieved as at 30 June 2026.
4. Norwegian krone.

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.3 Debt (continued)

Changes in Spark's short-term and long-term financing are disclosed in note 1.3 of these financial statements.

None of Spark's debt is secured and all debt ranks equally with other liabilities. There are no financial covenants over Spark's debt, however, there are certain triggers in the event of default, as defined in the various debt agreements. There have been no events of default over Spark's debt in the years ended 30 June 2026 and 30 June 2025.

The fair value of total debt based on market observable prices was $1,086 million compared to a carrying value of $1,069 million as at 30 June 2026 (30 June 2025: fair value of $1,489 million compared to a carrying value of $1,482 million).

4.4 Capital risk management

Spark manages its capital considering shareholders' interests, the value of Spark's assets, and the Company's credit rating. The Board is focused on the Company retaining a strong balance sheet, targeting metrics consistent with its current S&P Global credit ratings. At 30 June 2026, Spark's net debt to EBITDAI (including lease liabilities and other estimated credit rating agency adjustments) ratio was ~1.7x (2025: 2.2x).

As at 30 June 2026, the Company's S&P Global credit ratings for long-term and short-term debt was, respectively, A- and A-2 with outlook negative (30 June 2025: A- and A-2 with outlook negative).

Net debt

A reconciliation of net debt at hedged rates (a non-GAAP measure) and net debt at carrying value is provided below:

AS AT 30 JUNE	2026 $M	2025 $M
Cash and cash equivalents	(157)	(34)
Current debt at face value	166	417
Non-current debt at face value	934	1,085
Net debt at face value	**943**	**1,468**
To retranslate debt balances at swap rates where hedged by currency swaps	(45)	7
Net debt at hedged rates[1]	**898**	**1,475**
Non-cash adjustments		
Impact of fair value hedge adjustments[2]	4	7
Unamortised discount	(9)	(4)
Net debt at carrying value	**893**	**1,478**

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

4.4 Capital risk management (continued)

A reconciliation of movements in net debt is provided below:

		CASH FLOWS			NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2026	NOTES	AS AT 1 JULY 2025 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2026 $M
Cash and cash equivalents		(34)	(11,325)	11,202	–	–	–	–	(157)
Current debt	4.3	412	1,964	(2,373)	–	3	14	145	165
Non-current debt	4.3	1,070	4,715	(4,785)	–	(10)	53	(139)	904
Derivatives		30	122	(107)	–	3	(67)	–	(19)
Net debt at carrying value		**1,478**	**(4,524)**	**3,937**	**–**	**(4)**	**–**	**6**	**893**

		CASH FLOWS			NON-CASH MOVEMENTS				
YEAR ENDED 30 JUNE 2025	NOTES	AS AT 1 JULY 2024 $M	PROCEEDS $M	PAYMENTS $M	INTEREST AMORTISATION $M	FAIR VALUE CHANGES $M	FOREIGN EXCHANGE MOVEMENT $M	OTHER $M	AS AT 30 JUNE 2025 $M
Cash and cash equivalents		(59)	(16,466)	16,491	–	–	–	–	(34)
Current debt	4.3	414	2,219	(2,358)	(1)	–	–	138	412
Non-current debt	4.3	1,205	10,163	(10,221)	–	43	3	(123)	1,070
Derivatives		78	–	–	–	(45)	(3)	–	30
Net debt at carrying value		**1,638**	**(4,084)**	**3,912**	**(1)**	**(2)**	**–**	**15**	**1,478**

4.5 Equity and dividends

Share capital

Movements in the Company's issued ordinary shares were as follows:

YEAR ENDED 30 JUNE	2026 NUMBER	2025 NUMBER
Shares at the beginning of the year	1,889,322,507	1,814,155,480
Dividend reinvestment plan	–	74,185,274
Issuance of shares under share schemes and other transfers	807,601	981,753
Shares at the end of the year	**1,890,130,108**	**1,889,322,507**

All issued shares are fully paid and have no par value. Shareholders of ordinary shares have the right to vote at any general meeting of the Company.

Dividends[1]

	2026		2025	
YEAR ENDED 30 JUNE	CENTS PER SHARE	$M	CENTS PER SHARE	$M
Previous year second half-year dividend	12.5	236	14.0	254
First half-year dividend	8.0	151	12.5	230
Total dividends in the year	**20.5**	**387**	**26.5**	**484**
Second half-year dividend declared subsequent to balance date not provided for	8	151	12.5	236

1. Dividends paid disclosed above exclude supplementary dividends. For the year ended 30 June 2026, supplementary dividends paid were $20 million (30 June 2025: $37 million).

Events after balance date

On 19 August 2026 the Board approved the payment of a second-half ordinary dividend of 8.0 cents per share or approximately $151 million. This ordinary dividend will be 50% imputed. In addition, supplementary dividends totalling approximately $6 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

4

NOTES TO THE FINANCIAL STATEMENTS: LIABILITIES AND EQUITY

4.5 Equity and dividends (continued)

	H1 FY26 ORDINARY DIVIDENDS	H2 FY26 ORDINARY DIVIDENDS
Dividends declared		
Ordinary shares	8.0 cents	8.0 cents
American Depositary Shares[1]	24.16 US cents	23.41 US cents
Imputation		
Percentage imputed	50%	50%
Imputation credits per share	1.5556 cents	1.5556 cents
Supplementary dividend per share[2]	0.7059 cents	0.7059 cents
'Ex' dividend dates		
New Zealand Stock Exchange	19/03/2026	10/09/2026
Australian Securities Exchange	19/03/2026	10/09/2026
American Depositary Shares	20/03/2026	11/09/2026
Record dates		
New Zealand Stock Exchange	20/03/2026	11/09/2026
Australian Securities Exchange	20/03/2026	11/09/2026
American Depositary Shares	20/03/2026	11/09/2026
Payment dates		
New Zealand and Australia	10/04/2026	2/10/2026
American Depositary Shares	20/04/2026	12/10/2026

1. Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H2 FY26, these are based on the exchange rate at 12 August 2026 of NZ$1 to US$0.5852 and a ratio of five ordinary shares per one American Depositary Share. The actual exchange rate used for conversion is determined in the week prior to payment when the Bank of New York Mellon performs the physical currency conversion.
2. Supplementary dividends are paid to non-resident shareholders.

Dividend reinvestment plan

The company has a dividend reinvestment plan under which shareholders can elect to receive dividends in additional shares. The dividend reinvestment plan has been reinstated for the H2 FY26 dividend after being suspended in 2025. Shares issued under the dividend reinvestment plan will be issued at the prevailing market price determined in accordance with the terms of the plan, with no discount applied. The last date for shareholders to elect to participate in the dividend reinvestment plan for the H2 FY26 dividend is 14 September 2026. Spark's Dividend Reinvestment Plan Offer Document and Participation Notice can be found on Spark's Investor Centre Website: **investors.sparknz.co.nz**.

Section 5 Financial instruments

5.1 Derivatives and hedge accounting

AS AT 30 JUNE	2026 DERIVATIVE ASSETS $M	2026 DERIVATIVE LIABILITIES $M	2025 DERIVATIVE ASSETS $M	2025 DERIVATIVE LIABILITIES $M
Designated in a cash flow hedge	3	(17)	–	(26)
Designated in a fair value hedge	9	–	11	(1)
Designated in a dual fair value and cash flow hedge	15	(5)	–	(40)
	27	**(22)**	**11**	**(67)**
Short-term derivatives	3	(1)	–	(7)
Long-term derivatives	24	(21)	11	(60)

Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange prices. This represents a level two measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within level one that are observable for the asset or liability. As at 30 June 2026 and 30 June 2025, no derivative financial assets or derivative financial liabilities have been offset in the statement of financial position. The potential for offsetting of any derivative financial instruments is $9 million (30 June 2025: $10 million), which if applied would result in a reduction of derivative assets and derivative liabilities.

Hedge accounting

Derivatives are hedge accounted when they are designated into an effective hedge relationship as a hedging instrument. The nature and the effectiveness of the hedge accounting relationship will determine where the gains and losses on remeasurement are recognised. Derivatives are designated as:

- Fair value hedges, where the derivative is used to manage interest rate risk in relation to debt.
- Cash flow hedges, where the derivative is used to manage the variability in cash flows of highly probable forecast transactions.
- Dual fair value and cash flow hedges, where the derivative is used to hedge the interest rate risk on foreign debt and the variability in cash flows due to movements in foreign exchange rates.

At inception, each hedge relationship is formalised in hedge documentation. Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Spark determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of respective cash flows, reference interest rates, tenors (time to maturity), repricing dates, maturities, and notional amounts. Spark assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting the changes in cash flows of the hedged item using the hypothetical derivative method.

Derivatives in hedge relationships are designated based on a hedge ratio of 1:1. In these hedge relationships the main source of ineffectiveness is the effect of the counterparty and Spark's own credit risk on the fair value of the derivatives, which is not reflected in the change in the fair value of the hedged item attributable to changes in foreign exchange and interest rates.

Cash flow hedges

Cross-currency interest rate swaps and interest rate swaps are jointly designated in cash flow hedges to manage interest and foreign exchange rate risk on debt. The hedged cash flows will affect Spark's statement of profit or loss and other comprehensive income as interest and principal amounts are repaid over the remaining term of the debt.

Interest rate swaps are designated in cash flow hedges to manage the interest rate exposure of highly probable forecast variable rate debt and aggregate variable interest rate exposures created by swapping local or foreign currency floating-rate (variable) debt into fixed-rate debt.

Spark also enters into forward foreign exchange contracts to hedge forecast foreign currency purchases, the majority expected to be made within 12 months. The related cash flows are recognised in the statement of profit or loss and other comprehensive income over this period.

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

A reconciliation of movements in the hedge reserves, net of tax, is outlined below:

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Opening balance as at 1 July	(24)	12
Loss recognised in other comprehensive income	(4)	(48)
Amount reclassified to finance expense	12	9
Amount reclassified to property, plant, and equipment, intangible assets, and inventory	3	3
Total movements to other comprehensive income	**11**	**(36)**
Closing balance as at 30 June	**(13)**	**(24)**

Included within the closing balance at 30 June 2026 is $2 million relating to the cost of hedging reserve (30 June 2025: $3 million). The movement in the hedge reserves includes $9 million in the change in fair value of cross-currency and domestic interest rate swaps, less $3 million associated deferred tax, and $5 million for forward foreign exchange contracts (30 June 2025: $45 million in the change in fair value of cross-currency and domestic interest rate swaps, less $13 million associated deferred tax, and $4 million for forward foreign exchange contracts).

Fair value hedges

Interest rate swaps are designated in a fair value hedge to manage interest rate risk in relation to debt. The gain or loss from remeasuring the interest rate swaps and debt at fair value is recognised in the statement of profit or loss and other comprehensive income. During the year ended 30 June 2026, there has been no material ineffectiveness on fair value hedging relationships (30 June 2025: no material ineffectiveness) and as a result, no material changes have been recognised in profit and loss.

Dual fair value and cash flow hedges

Spark has Australian dollar (AUD) and Norwegian krone (NOK) denominated debt. As part of Spark's risk management policy, cross-currency interest rate swaps (CCIRSs) are entered into to convert all of the proceeds of the debt issuances to New Zealand dollars and convert the foreign currency fixed rate of the debt issuance to a New Zealand dollar floating rate. To mitigate profit or loss volatility, the CCIRSs were designated into a dual fair value and cash flow hedge relationship. The foreign currency basis element of the CCIRSs are excluded from the designation and are separately recognised in other comprehensive income in a cost of hedging reserve.

For fair value hedges, the gain or loss from remeasuring the CCIRSs and debt at fair value is recognised in the statement of profit or loss and other comprehensive income. For cash flow hedges, gains or losses deferred in the cash flow hedge reserve will be reclassified to Spark's statement of profit or loss and other comprehensive income as interest and principal amounts are repaid over the remaining term of the debt.

The change in fair value of the hedging instruments relating to the foreign currency basis component of the CCIRSs are recognised in other comprehensive income and accumulated in a cost of hedging reserve. Subsequently, the cumulative amount is transferred to profit or loss at the same time as the hedged item impacts profit or loss.

5.1 Derivatives and hedge accounting (continued)

The details of the hedging instruments are as follows:

AS AT 30 JUNE 2026	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGING INSTRUMENT ASSETS $M	LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS $M
Cash flow hedges					
Interest rate swaps	NZD 1b	Derivatives	–	(17)	(17)
Forward foreign exchange contracts	NZD 86m	Derivatives	3	–	3
Fair value hedges					
Interest rate swaps	NZD 425m	Derivatives	9	–	9
Fair value and cash flow hedges					
Cross-currency interest rate swaps	AUD 150m	Derivatives	13	–	13
Cross-currency interest rate swaps	AUD 125m	Derivatives	2	–	2
Cross-currency interest rate swaps	NOK 1b	Derivatives	–	(5)	(5)
			27	**(22)**	**5**

AS AT 30 JUNE 2025	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGING INSTRUMENT ASSETS $M	LIABILITIES $M	LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS $M
Cash flow hedges					
Interest rate swaps	NZD 1b	Derivatives	–	(22)	(22)
Forward foreign exchange contracts	NZD 110m	Derivatives	–	(4)	(4)
Fair value hedges					
Interest rate swaps	NZD 425m	Derivatives	11	(1)	10
Fair value and cash flow hedges					
Cross-currency interest rate swaps	AUD 100m	Derivatives	–	(2)	(2)
Cross-currency interest rate swaps	AUD 150m	Derivatives	–	(6)	(6)
Cross-currency interest rate swaps	AUD 125m	Derivatives	–	(13)	(13)
Cross-currency interest rate swaps	NOK 1b	Derivatives	–	(19)	(19)
			11	**(67)**	**(56)**

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.1 Derivatives and hedge accounting (continued)

The details of hedged items are as follows:

AS AT 30 JUNE 2026	NOTES	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM		ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM		LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS
			ASSETS	LIABILITIES	ASSETS	LIABILITIES	
			$M	$M	$M	$M	$M
Cash flow hedges							
Aggregated variable interest rate exposure		–	–	–	–	–	17
Committed foreign exchange transactions		–	–	–	–	–	(3)
Fair value hedges							
Domestic Notes	4.3	Current and non-current debt	–	(434)	–	(9)	(9)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 150m)	4.3	Non-current debt	–	(179)	4	–	(13)
Australian Medium Term Notes (AUD 125m)	4.3	Non-current debt	–	(136)	16	–	(2)
Norwegian Medium Term Notes (NOK 1b)	4.3	Non-current debt	–	(166)	12	–	5
			-	**(915)**	**32**	**(9)**	**(5)**

AS AT 30 JUNE 2025	NOTES	STATEMENT OF FINANCIAL POSITION LINE ITEM	CARRYING AMOUNT OF THE HEDGED ITEM		ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF THE HEDGED ITEM		LIFE-TO-DATE CHANGE-IN-VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS
			ASSETS	LIABILITIES	ASSETS	LIABILITIES	
			$M	$M	$M	$M	$M
Cash flow hedges							
Aggregated variable interest rate exposure		–	–	–	–	–	22
Committed foreign exchange transactions		–	–	–	–	–	4
Fair value hedges							
Domestic Notes	4.3	Non-current debt	–	(435)	1	(11)	(10)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 100m)	4.3	Current debt	–	(105)	3	–	2
Australian Medium Term Notes (AUD 150m)	4.3	Non-current debt	–	(160)	1	–	6
Australian Medium Term Notes (AUD 125m)	4.3	Non-current debt	–	(123)	12	–	13
Norwegian Medium Term Notes (NOK 1b)	4.3	Non-current debt	–	(154)	9	–	19
			-	**(977)**	**26**	**(11)**	**56**

5.2 Financial risk management

a) Market risk

Spark is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates. Spark employs risk management strategies, including the use of derivative financial instruments, to manage these exposures through a Board-approved treasury policy, which provides the framework within which treasury-related activities are conducted.

Spark manages the concentration of exposures using well-defined market and credit risk limits and through timely reporting to senior management. All contracts have been entered into with high-credit quality financial institutions. The risk associated with these transactions is that the fair value or cash flows of financial instruments will change due to movements in market rates or, in the case of default by a counterparty, through the cost of replacement at the current market rates.

Currency risk

Nature of the risk

Currency risk is the risk that eventual New Zealand dollar net cash flows from transactions undertaken by Spark will be adversely affected by changes in foreign currency exchange rates.

Exposure and risk management

Spark's total net exposure (from non-derivative financial instruments) to foreign currency as at 30 June 2026 is $530 million (30 June 2025: $578 million). This includes $178 million long-term debt principal denominated in NOK (30 June 2025: $163 million) and $335 million long-term debt principal denominated in AUD (30 June 2025: $405 million). The remaining exposure is primarily trade payables and other receivables denominated in United States dollars (USD).

Spark manages currency risk arising from foreign currency debt through hedging. Spark's long-term debt issued in NOK and AUD is fully hedged using cross-currency interest rate swaps to convert foreign currency cashflows into floating-rate New Zealand dollar exposures.

Currency risk from capital and operational expenditure in foreign currencies (and related trade payables) has been substantially hedged by entering into forward foreign exchange contracts.

Sensitivity to foreign currency movements

As at 30 June 2026, a movement of 10% in the New Zealand dollar would (after hedging) impact the statement of profit or loss by $1 million to $3 million (30 June 2025: less than $2 million) and the statement of changes in equity by $8 million to $10 million (30 June 2025: $9 million to $15 million). This analysis assumes a movement in the New Zealand dollar across all currencies and only includes the effect of foreign exchange movements on monetary financial instruments.

Interest rate risk

Nature of the risk

Interest rate risk is the risk that fluctuations in interest rates impact Spark's cash flows, financial performance or the fair value of its holdings of financial instruments.

Exposure and risk management

Spark is exposed to interest rate risk from its financing activities, which primarily include loans and debt issuance either at fixed or floating rates. For floating-rate exposures Spark employs the use of derivative financial instruments to reduce its exposure to fluctuations in interest rates, with the objective to minimise the cost of net borrowings and to minimise the impact of interest rate movements on interest expense and net earnings.

Cross-currency interest rate swaps are used to convert foreign currency debt into floating-rate New Zealand dollar exposures. Interest rate swaps are used to convert floating-rate exposures into fixed-rate exposures and vice versa. As a result, Spark's interest rate exposure is limited to New Zealand only.

Sensitivity to interest rate movements

As at 30 June 2026, a movement in interest rates of 25 basis points would (after hedging) impact the statement of profit or loss by less than $1 million (30 June 2025: less than $1 million) and the statement of changes in equity by $3 million to $4 million (30 June 2025: $4 million to $5 million).

NOTES TO THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS

5.2 Financial risk management (continued)

b) Credit risk

Nature of the risk

Credit risk arises in the normal course of Spark's business on cash, receivables, and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management

Spark is exposed to credit risk if customers and counterparties fail to make payments in respect of:

- Payment of trade and other receivables as they fall due; and
- Contractual cash flows of derivative assets held at fair value.

Spark's assets subject to credit risk as at 30 June 2026 were $1,158 million (30 June 2025: $1,158 million).

Spark considers the probability of default upon initial recognition of cash and cash equivalents, receivables, and derivative assets and whether there has been a significant and ongoing increase in credit risk at the end of each reporting period. To assess this Spark compares the risk of default occurring on these assets at the reporting date, with the risk of default at the date of initial recognition. Available, reasonable and supportive forward-looking information is considered, especially the following indicators:

- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer or counterparty's ability to meet their obligations; and
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Spark considers a financial asset to have low credit risk when the asset is held with a high-credit quality financial institution or with a party that has a strong financial position with no past due amounts.

Spark manages its exposure using a credit policy that includes limits on exposures with significant counterparties that have been set and approved by the Board and are monitored on a regular basis. Spark places its cash and cash equivalents and derivative financial instruments with high-credit quality financial institutions and does not have significant concentration of risk with any single financial institution. Spark has finance lease receivables which are deemed low credit risk. Concentration of credit risk for trade and other receivables is limited because of Spark's large customer base.

Letters of credit and guarantees may be held over some receivable amounts. The carrying amounts of financial assets represent the maximum credit exposure.

c) Liquidity risk

Nature of the risk

Liquidity risk represents Spark's ability to meet its contractual obligations as they fall due.

Exposure and risk management

Spark uses cash and cash equivalents, debt, and derivative financial instruments to manage liquidity and evaluates its liquidity requirements on an ongoing basis. In general, Spark generates sufficient cash flows from its operating activities to meet its financial liabilities. As at 30 June 2026, Spark had current assets of $1,271 million and current liabilities of $926 million (30 June 2025: current assets of $1,438 million and current liabilities of $1,066 million). Positive operating cash flows enable working capital to be managed to meet short-term liabilities as they fall due.

In the event of any shortfalls Spark has the following financing programmes:

- Undrawn committed bank facilities of $500 million with New Zealand and international banks (30 June 2025: $625 million facilities including the standby facility with $195 million drawn)
- Undrawn committed bank overdraft facilities of $15 million with New Zealand banks (30 June 2025: $15 million).

There are no compensating balance requirements associated with these facilities.

Spark's liquidity policy is to maintain unutilised committed facilities of at least 110% of the next 12 months' forecast peak net funding requirements, including coverage for short-term capital market issues and uncommitted facilities. Spark's funding policy requires that no more than 30% of total debt (including undrawn and standby facilities) can mature within any rolling 12 month period, which has been met.

5.2 Financial risk management (continued)

c) Liquidity risk (continued)

Maturity analysis

The following table provides an analysis of Spark's remaining contractual cash flows relating to non-derivative financial liabilities and derivative financial assets and liabilities. Contractual cash flows include contractual undiscounted principal and interest amounts.

AS AT 30 JUNE 2026	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	383	383	383	–	–	–	–
Sale and leaseback liabilities	51	58	9	14	17	18	–
Lease liabilities	832	1,065	74	75	142	285	489
Debt	1,069	1,227	175	30	222	614	186
Derivative financial assets and liabilities							
Interest rate swaps (net settled)	8	8	3	1	2	1	1
Cross-currency interest rate swaps (gross settled)							
Inflows	(15)	(556)	(5)	(11)	(196)	(344)	–
Outflows	5	528	11	11	184	322	–
Forward foreign exchange contracts (gross settled)							
Inflows	(3)	(90)	(83)	(7)	–	–	–
Outflows	–	86	80	6	–	–	–
	2,330	**2,709**	**647**	**119**	**371**	**896**	**676**

AS AT 30 JUNE 2025	CARRYING AMOUNT $M	CONTRACTUAL CASH FLOWS $M	0-6 MONTHS $M	6-12 MONTHS $M	1-2 YEARS $M	2-5 YEARS $M	5+ YEARS $M
Non-derivative financial liabilities							
Trade accounts payable and accruals	321	321	321	–	–	–	–
Sale and leaseback liabilities	49	53	17	14	12	10	–
Lease liabilities	867	1,170	77	72	134	319	568
Debt	1,482	1,667	382	148	182	768	187
Derivative financial assets and liabilities							
Interest rate swaps (net settled)	12	13	3	3	4	3	–
Cross-currency interest rate swaps (gross settled)							
Inflows	–	(623)	(6)	(119)	(15)	(483)	–
Outflows	40	663	14	120	23	506	–
Forward foreign exchange contracts (gross settled)							
Inflows	–	(107)	(82)	(15)	(10)	–	–
Outflows	4	110	83	15	12	–	–
	2,775	**3,267**	**809**	**238**	**342**	**1,123**	**755**

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

Section 6 Other information

6.1 Income tax

Income tax expense

The income tax expense is determined as follows:

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Statement of profit or loss and other comprehensive income			
Current income tax			
Current year income tax expense (excluding adjusting items)		(60)	(90)
Current year income tax expense on adjusting items[1]	2.5	(4)	15
Adjustments in respect of prior periods		(4)	(2)
Deferred income tax			
Depreciation, provisions, accruals, tax losses, and other adjustments (excluding adjusting items)		(23)	(15)
Adjustments in respect of prior periods		3	(3)
Income tax expense from continuing operations recognised in the statement of profit or loss and other comprehensive income[2]		**(88)**	**(95)**

1. FY26 relates to the tax effect of the $13 million gain on the land related to the sale of the data centre business (FY25: the tax effect of the $53 million of transformation costs associated with Spark's SPK-26 Operate Programme).
2. Income tax expense from discontinued operation is $5 million (FY25: $3 million), see note 1.4 for further details.

Reconciliation of income tax expense

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Net earnings before income tax from continuing operations	**574**	**347**
Tax at current rate of 28%	(161)	(97)
Adjustments to taxation		
Non-assessable gains on sale[1]	78	20
Other non-assessable items	4	(4)
Tax effects of non-New Zealand profits	(8)	(9)
Adjustments in respect of prior periods	(1)	(5)
Total income tax expense from continuing operations[2]	**(88)**	**(95)**

1. FY26 includes the tax effect of the $278 million net gain on sale of the data centre business (FY25: includes the tax effect of the $71 million net gain on sale of investment in Connexa).
2. Income tax expense from discontinued operation is $5 million (FY25: $3 million).

Pillar Two legislation

As a large multinational enterprise (MNE) with annual revenue in excess of €750m, Spark is within the scope of the OECD Pillar Two initiative (Pillar Two) and the associated Global Anti-Base Erosion (GloBE) rules that enforce Pillar Two. Spark has performed an assessment of its potential exposure to GloBE top-up taxes utilising the GloBE temporary safe harbour thresholds (Safe Harbour) and has concluded there is no material impact on its consolidated financial position as at 30 June 2026 (FY26). This position is expected to remain through to FY28, being the current duration of the Safe Harbour period. Spark's FY25 GloBE reporting obligations related to Australia and the United Kingdom are due 31 December 2026, registration for this reporting has been completed and we are in a position to file by the due date.

6.1 Income tax (continued)

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset in the statement of financial position and presented as a net deferred tax asset/(liability). The movements in the deferred tax assets and liabilities are provided below:

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2025	(90)	102	10	(11)	11
Amounts recognised in the statement of profit or loss and other comprehensive income					
Relating to the current period	(1)	(11)	(3)	(10)	(25)
Adjustments in respect of prior periods	–	1	–	2	3
Amounts recognised in equity relating to the current year	–	–	–	1	1
Closing balance as at 30 June 2026	**(91)**	**92**	**7**	**(18)**	**(10)**

ASSETS/(LIABILITIES)	FIXED ASSETS $M	LEASES $M	PROVISIONS & ACCRUALS $M	OTHER $M	TOTAL $M
Opening balance as at 1 July 2024	(88)	106	11	(12)	17
Amounts recognised in statement of profit or loss and other comprehensive income					
Relating to the current period	–	2	(3)	(14)	(15)
Adjustments in respect of prior periods	(2)	(6)	2	3	(3)
Amounts recognised in equity relating to the current year	–	–	–	12	12
Closing balance as at 30 June 2025	**(90)**	**102**	**10**	**(11)**	**11**

Spark has not recognised the tax effect of accumulated unrestricted losses and temporary differences amounting to AU$461 million at 30 June 2026 based on the relevant corporation tax rate of Australia (30 June 2025: AU$461 million). These losses and temporary differences may be available to be carried forward to offset against future taxable income. However, utilisation is contingent on the production of taxable profits over a significant period of time and is subject to compliance with the relevant taxation authority requirements.

Spark has a negative 23 million imputation credit account balance as at 30 June 2026 due to the timing of dividend and tax payments (30 June 2025: negative 53 million). The imputation credit account had a positive balance as at 31 March 2026.

Spark has a $157 million taxation recoverable at 30 June 2026 (30 June 2025: $114 million). This reflects higher provisional tax payments (including for imputation credit account purposes) and lower than expected taxable earnings in the period to offset those payments.

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.2 Employee share schemes

Spark operates a share-based compensation plan that is equity settled as outlined below.

Share option scheme

From September 2019, members of the Leadership Team (including the CEO) and selected senior leaders have been granted options under the Spark Long-Term Incentive (LTI) scheme. Under the scheme participants are granted options at the start of the three-year vesting period. The number of options granted equals the gross LTI value divided by the volume weighted average price (VWAP) of Spark New Zealand shares for the 20 days prior to the grant date. Subject to satisfaction of the performance hurdle and continued employment, at vesting each option converts to a Spark share based on a zero exercise price. If the target is not met (or the participant leaves Spark employment) then the options simply lapse, with exceptions for redundancy, death, and disablement. Spark enables participants to meet tax obligations through PAYE by authorising the sale of a sufficient number of shares on their behalf.

Vesting of the LTI grants are contingent on participants' continued employment with Spark for three years from grant date (subject to exceptions) and the Company achieving the specified performance hurdles. The performance hurdle targets are set annually. For grants issued in 2023, 2024, and 2025, 75% of the allocated shares will vest based on the performance hurdle target of the Company's cost of equity plus 1.5% compounding annually and 25% will vest based on performance against environmental and diversity targets.

In September 2025, Spark introduced the Transformation Delivery Incentive (TDI) Scheme, a one-off share-based incentive scheme for selected employees designed to support delivery of Spark's transformation and performance reset programme. Participants were granted options based on a 20-day VWAP prior to grant date, with a two-year vesting period ending in September 2027. Vesting is subject to continued employment, achievement of specified transformation performance hurdles, and gateway conditions requiring both (i) Spark's share price at vesting (measured using a 20-day VWAP) to exceed the grant-date share price and (ii) achievement of an FY27 exit run rate savings target of $140 million. Performance hurdles comprise measures linked to transformation benefits and operating model targets. Upon vesting, each option converts to one Spark share for nil consideration.

Options with an intrinsic value of $9 million (30 June 2025: $8 million) remain outstanding at 30 June 2026 and have a weighted average remaining life of 1.4 years (30 June 2025: 1.4 years).

Information regarding options awarded under this scheme is as follows:

	2026 OPTIONS[1] NUMBER OF OPTIONS	2025 OPTIONS[1] NUMBER OF OPTIONS
Opening balance as at 1 July	3,348,328	3,220,983
Granted	2,549,374	1,738,184
Vested	(69,577)	(14,119)
Lapsed	(1,142,017)	(1,596,720)
Closing balance as at 30 June	**4,686,108**	**3,348,328**
Percentage of total ordinary shares	0.25%	0.18%

1. All options have a nil exercise price.

The fair value of the employee services received in exchange for the grant of equity instruments is recognised as an expense, with a corresponding entry in equity. The total charge recognised for this scheme for the year ended 30 June 2026 was $1.5 million (30 June 2025: $1.5 million). As at 30 June 2026, $2.1 million of share scheme awards remain unvested and not expensed (30 June 2025: $2.1 million). This expense, measured at its fair value based on a valuation model, will be recognised over the remaining vesting period of the awards.

On 22 September 2025, the majority of the grants issued in 2023 were not vested and lapsed in FY26, with the exception of 48,750 options which vested in accordance with the scheme rules. Additionally, 20,827 options granted in 2024 converted to ordinary shares and transferred in line with the business sale provisions in the scheme rules. The aggregate of the estimated fair values of the options granted in September 2025 is $2 million (options granted in September 2024: $2 million).

6.3 Related party transactions

Related parties of Spark include the associate and joint venture companies listed in note 3.3 and key management personnel detailed below.

Interest of directors in certain transactions

The Group entered into transactions during the year with entities associated with certain directors in the ordinary course of business.

Transactions with associate and joint venture companies

Spark's FY26 and FY25 transactions with associates and joint ventures include the following:

- Spark provided network operations and management services to Southern Cross in respect of its operations in New Zealand
- Spark made payments to Southern Cross in connection with capacity it has purchased on Southern Cross' network
- Spark made payments to Southern Cross for operational expenditure relating to cable maintenance
- Spark received dividend income and a return of capital from Southern Cross, with the return of capital effected through a capital reduction
- Spark received revenue from Rural Connectivity Group for the sale of mobile backhaul equipment
- Spark made payments to Rural Connectivity Group for its share of the joint venture's operating costs
- Spark received payments from Hourua Limited for milestones delivered for the Public Safety Network and for use of Spark's corporate office space
- Spark received revenue from TenPeaks for agency services, leases, and operating charges. Spark also made payments to TenPeaks for electricity cost recoveries, labour, and sundry costs. Further details of ongoing transactions between TenPeaks and Spark impacting the balance sheet can be found in note 1.4.
- Spark made payments to Connexa for access to mobile towers, this includes lease and operating charges. Spark also received payments from Connexa for transition services, rental recovery, maintenance, site build, and interest on shareholder loans until the sale of investment on 28 February 2025. Connexa was an associate of Spark until 28 February 2025, when Spark sold its remaining shareholding.

The outstanding balances are unsecured and there have been no guarantees provided or received.

Balances and amounts in respect of these transactions with associate and joint venture companies excluding Connexa and TenPeaks are set out in the table below:

AS AT AND FOR THE YEAR ENDED 30 JUNE	2026 $M	2025 $M
Revenues	8	11
Expenses	(11)	(7)
Capacity acquired and other capital expenditure[1]	(14)	(3)
Receivables	2	1
Payables	–	(5)

1. As at 30 June 2026, Spark has committed to purchases of $27 million for cable capacity from Southern Cross (30 June 2025: $19 million).

The significant related party balance sheet amounts with TenPeaks are separately disclosed in note 1.4. The table below has the profit and loss amounts with Connexa in FY25 up until its disposal on 28 February 2025 and with TenPeaks in FY26 from the 30 January 2026 investment date.

FOR THE YEAR ENDED 30 JUNE	2026 $M	2025[1] $M
Revenues	2	21
Expenses	(1)	(11)

1. Including interest income on shareholder loans.

NOTES TO THE FINANCIAL STATEMENTS: OTHER INFORMATION

6.3 Related party transactions (continued)

Key management personnel compensation

YEAR ENDED 30 JUNE	2026 $'000	2025 $'000
Directors' remuneration[1]	1,444	1,371
Salary and other short-term benefits	9,955	5,911
KiwiSaver	273	157
Share-based compensation	892	814
	12,564	**8,253**

1. Excludes Chief Executive remuneration.

The table above includes remuneration of the Chief Executive and the other members of the Leadership Team, including amounts paid to members of the Leadership Team who left during the year ended 30 June or were in acting Leadership Team positions. Like other Spark employees, members of the Leadership Team also receive product and service concessions. In addition, where members of the Leadership Team are KiwiSaver members, they receive contributions towards their KiwiSaver schemes.

6.4 Subsidiaries

Subsidiaries are all entities over which Spark has control. The significant subsidiary companies of Spark and their activities are as follows:

NAME	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Entelar Group Limited	New Zealand	100%	Telecommunications and IT infrastructure build and maintenance services, and distribution and supply chain services
Gen-i Australia Pty Limited	Australia[1]	100%	Provides international wholesale and outsourced telecommunications services
MATTR Limited	New Zealand	98%	Software company focused on decentralised identity and verifiable data
Qrious Limited	New Zealand	100%	Data analytics business
Spark Finance Limited	New Zealand	100%	A Group finance company
Spark New Zealand Trading Limited	New Zealand	100%	Telecommunications and digital services company
TCNZ (Bermuda) Limited	New Zealand	100%	A holding company
Teleco Insurance Limited	Bermuda[1]	100%	A Group insurance company
Telecom New Zealand USA Limited	United States[1]	100%	Provides international wholesale telecommunications services
Telecom Southern Cross Limited	New Zealand	100%	A holding company

1. These foreign incorporated entities are tax resident in New Zealand.

Computer Concepts Limited and Revera Limited were amalgamated into Spark New Zealand Trading Limited on 1 June 2026.

The financial year end of all significant subsidiaries is 30 June.

6.5 Reconciliation of net earnings to net cash flows from operating activities

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Net earnings for the year		499	260
Adjustments to reconcile net earnings to net cash flows from operating activities			
Depreciation and amortisation	1.4, 2.4	602	604
Bad and doubtful accounts	3.1	20	22
Deferred income tax		8	18
Share of associates' and joint ventures' net losses	2.4, 3.3	2	6
Interest income on loans receivable from associates and joint ventures	2.4	–	(8)
Fair value gain on receivable measured at FVTPL	2.4	(1)	–
Net gain on sale and acquisition of property, plant, and equipment, and intangible assets	2.2	(12)	(8)
Net gain on lease modifications and terminations	2.2	(22)	(24)
Net gain on sale of Connexa investment	2.2	–	(71)
Net (gain)/loss on sale of long-term businesses	1.4, 2.2	(278)	1
Loss on sale of IFP receivables	1.5, 2.4	14	–
Other		2	5
Changes in assets and liabilities net of effects of non-cash, investing, and financing activities			
Movement in receivables and related items		146	13
Movement in inventories		(11)	6
Movement in current taxation		(43)	(108)
Movement in payables and related items		118	(36)
Net cash flows from operating activities		**1,044**	**680**

6.6 Commitments and contingencies

Capital and other commitments

As at 30 June 2026, capital expenditure contracted for, but not yet incurred, was $949 million (30 June 2025: $821 million) with $332 million due in the year ending 30 June 2027. Commitments principally relate to telecommunications network equipment and cable capacity.

As at 30 June 2026, Spark had other supplier commitments of $1,581 million (30 June 2025: $1,361 million), with $721 million due in the year ending 30 June 2027. Commitments include mobile handsets, subscription services, modems, licences, service and maintenance renewals, technology delivery partnerships, and power purchase agreements.

Contingencies

No ongoing claims, investigations, or inquiries are expected to have a significant effect on Spark's financial position or profitability.

6.7 Events subsequent to balance date

On 27 July 2026, Spark announced a new organisational structure comprising two divisions, Connectivity and Digital Services, supported by centralised shared functions. Connectivity will encompass consumer mobile, broadband, and business connectivity, including managed services, collaboration, IoT, and security. Digital Services will comprise cloud, IT services, and adjacent products. Changes to the Spark segment structure will be reflected in Spark's FY27 reporting.

Spark also announced that the Board has commenced a strategic review of the Digital Services division to assess options to maximise shareholder value. The review is expected to be completed during the first half of FY27.

As at the date of authorisation of these financial statements, no decisions have been made regarding any transaction arising from the review and there is no certainty that the review will result in a transaction, or as to the terms or value of any potential outcome. Accordingly, the announcement has been assessed as a non-adjusting event after the reporting period and no adjustment has been made to the carrying amounts of assets and liabilities recognised as at 30 June 2026. The financial impact of any future outcome cannot presently be reliably estimated.

Deloitte.

Independent auditor's report

To the Shareholders of Spark New Zealand Limited

Opinion

We have audited the consolidated financial statements of Spark New Zealand Limited and its subsidiaries (the 'Group'), which comprise the statement of financial position as at 30 June 2026, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 71 to 121, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

In addition to the audit we carried out other engagements including a review of the interim financial statements, agreed upon procedures in relation to the sustainability linked loans and assurance services relating to regulatory audit requirements and greenhouse gas emissions (GHG) reported in the GHG Inventory Report and in the Climate-related Disclosures. We also provided non-assurance services including an HR Business Partner training programme, tax advisory services and administrative and other advisory services provided to the Corporate Taxpayers Group, of which the Group is a member.

The Chief Executive has extended family members who are partners at Deloitte and who are not involved in the provision of any services to the Group; this matter has not impacted our independence. Also, the firm, its partners and employees deal with the Group on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $26,000,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Revenue recognition: Total revenue from continuing operations
Group revenue comprises Mobile, Broadband, Voice, Other connectivity, Cloud, IT services management, Procurement and Partners, and Other products.

Revenue recognition is considered to be a key audit matter, particularly for certain customer contracts which have an elevated risk and complexity around the accuracy of amounts and timing of revenue recognised due to:

- The involvement of multiple elements in some arrangements which may be new or changing, are processed through several billing and operational systems, and require judgement; and
- Bespoke customer contracts for products and services with added complexity due to scale of contract and multi-year time frames.

The judgements and estimates which significantly impact the accuracy of revenue recognition include:

- Identifying the separate performance obligations;
- Determining and allocating the transaction price to the separate performance obligations; and
- Assessing whether the performance obligations are processed at a point in time or over time.

Disclosures relating to revenue recognition and the revenue stream breakdown can be found in Note 2.2 Operating revenues and other gains.

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Our audit procedures included:

- Obtaining an understanding of the nature of the various revenue streams and the related billing and revenue recording processes, systems and controls;
- Evaluating the design and implementation of key system and business process controls over the capture, processing and recording of revenue transactions;
- With the assistance of our technology specialists, testing key IT controls, interfaces and automated controls supporting significant billing and revenue systems for Mobile and Broadband revenue streams;
- For new or modified complex customer contracts:
  - challenging the Group's assessment for each performance obligation about whether the customer can benefit from the product or service on its own or together with readily available resources;
  - assessing the allocation of the transaction price to the performance obligations by comparing the stand-alone selling price assigned to observed market prices or estimated prices; and
  - examining the stages at which revenue for each performance obligation is recognised;
- Performing substantive analytical procedures over significant revenue streams;
- Testing selected manual journal entries impacting revenue; and
- Evaluating the appropriateness of revenue-related disclosures in the financial statements.

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<tr><td>

Accounting for transformative, significant transactions
The Group's SPK-30 strategy represents a multi-year transformation programme to invest in its core connectivity business, while simplifying non-core digital services.

In the pursuit of this strategy, transactions are occurring outside of normal business operations which can be complex and require additional audit effort. In the current year, there have been two transactions which we have identified as a key audit matter for this reason and due to their collective impact on the financial statements:

- The divestment of a data centre business to TenPeaks, resulting in the recognition of a net gain on sale of $278m. This gain was determined after estimating the fair value of a contingent consideration receivable of $83m (refer Note 1.4); and
- A series of transactions to sell interest-free-payment plan ('IFP') receivables to Challenger with a carrying value of $356m (excluding the associated expected credit loss allowance provision), resulting in a net loss of $14m (refer Note 1.5). This required judgement to assess whether the sale of IFP receivables results in derecognition and to determine the extent of Spark's continuing involvement.

</td><td>

Our audit procedures included:

- Obtaining an understanding of the substance of each transaction;
- Reading relevant legal and contractual agreements in relation to each transaction and through discussions with key personnel;
- Evaluating the proposed accounting treatment of each transaction and its impact on the carrying values of associated assets and liabilities, with particular focus on:
  - Assessing the Group's measurement of the contingent consideration asset, arising from the data centre business divestment including challenging whether certain performance-based objectives will be met;
  - Challenging the Group's assessment of the derecognition criteria for the IFP receivables transaction, and assessing the extent of any continuing assets or liabilities;
- Evaluating the adequacy of the disclosures relating to the transactions in the consolidated financial statements.

</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report as well as the Climate-related Disclosures Report FY26.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Melissa Collier, Partner for Deloitte Limited

Auckland, New Zealand

20 August 2026

This audit report relates to the consolidated financial statements of Spark New Zealand Limited (the 'Company') for the year ended 30 June 2026 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 30 June 2026 to confirm the information included in the audited consolidated financial statements presented on this website.

Appendix

Spark's managing risk framework roles and responsibilities

Activity performed	Board & ARMC	Leadership Team (LT)	Risk	Legal / Privacy	Org unit leads	Centre of Excellence leads	Policy owners	All Spark people
Approves Spark's strategy and annual plan	✔							
Approves the Managing Risk Policy	✔							
Monitors the Managing Risk Framework	✔							
Reviews principal risk dashboard (quarterly)	✔							
Performs other items from its Charter	✔							
Prepares strategy and annual plan		✔						
QBR[1] process and next 90-day priorities		✔						
Coaches and guides leads		✔						
Owner for principal risks		✔						
Designs and continuously improves the Managing Risk Framework			✔					
Helps the business apply the framework			✔					
Profiles the principal and next 90-day risks for LT and ARMC			✔					
Helps leads to capture their risks for the QBR memo			✔					
Executes Internal Audit plan (objective assurance)			✔					
Designs and continuously improves the Empowerment Framework				✔				
Creates empowerment & functional guidance kits				✔				
Oversees essential policies and webpage				✔				
Creates and delivers training modules				✔				
Uses the Empowerment and Managing Risk frameworks					✔			
Understands and adheres with the essential policies					✔			
Maintains view of risks for OKRs[2] and fills in QBR memo					✔			
Provides input into principal risk process					✔			
Escalates risks to LT or Risk team (if required)					✔			
Reviews risk sections in QBR packs across Spark						✔		
Maintains view of risks for their OKRs and fills in QBR						✔		
Supports leads to manage identified risks						✔		
Provides input into principal risks						✔		
Maintains policy and guidance material							✔	
Completes assessments of effectiveness							✔	
Participates in policy owner working groups							✔	
Follows this framework and the essential policies								✔
Makes informed decisions after assessing the benefits and risks								✔

1. QBR – Quarterly Business Review.
2. OKR – Objectives and Key Results.

Sustainability

As an integrated report we have included disclosure on our ESG performance throughout this report. Pages 12–13 detail our integrated reporting value-creation model, aligned to the 'capitals' which align to individual sections in the report.

This report is prepared in accordance with the Integrated Reporting <IR> Framework and with the Global Reporting Initiative (GRI) Core Option.

We publish a summary of our approach to sustainability at Spark on our website. **https://www.spark.co.nz/sustainability/**

Materiality

To prioritise Spark's reporting on sustainability topics, we follow the GRI materiality principle and processes (set out in *GRI 3: Material Topics 2021*) to identify and prioritise topics that substantively influence decisions or have a significant environmental, social, or economic impact. We also consider the materiality principles of the Integrated Reporting <IR> Framework, considering whether a matter could substantively affect Spark's ability to create value in the short, medium, or long term.

We refresh our materiality analysis annually through analysis of stakeholder feedback, review of global peers and sector research, and engagement with internal and external stakeholders.

This ensures we capture all material topics and enables us to identify emerging topics. Our materiality review for FY26 has highlighted the increasing importance of online safety, including protection from online scams, and managing the impact of social media on young people. An increase in concern related to trust in AI technologies and its environmental impacts was also observed.

Our materiality matrix maps our material topics, with our assessment of the significance of economic, environmental and social impacts mapped on the horizontal 'x' axis, and the scale of influence on stakeholder assessments and decisions mapped on the 'y' vertical axis, reflecting feedback and questions received from stakeholders related to our ESG reporting.

INFLUENCE ON STAKEHOLDER ASSESSMENTS AND DECISIONS		
	• Competition and regulation • Diversity and inclusion • Ethical business practices • Responsible supply chain and procurement practices • Operational efficiency, emissions and waste	• Financial performance and operational excellence • Digital equity: access, skills and wellbeing • Digital trust: privacy and online safety • Impacts of AI (Artificial Intelligence) • Cybersecurity • High-performance culture: capability and development • Partnering for Aotearoa's future • Resilient infrastructure and climate adaptation • Disaster and crisis response • Employee health, safety, wellbeing
	• Community investment • Impact of infrastructure on the environment • Tax	• Role of digital technology in addressing sustainability challenges • Product stewardship and circular economy

SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS

Our most material sustainability issues

Topic	Topic description and scope	Reference
Resilient infrastructure and climate adaptation	The resilience of our infrastructure. Our long-term adaptation to climate change.	Our network and technology Pages 26–29 Refer to Climate-related Disclosures Report
Employee health, safety, wellbeing	Providing a safe and healthy working environment, including physical and mental wellbeing, and supporting people and teams impacted by organisational change.	Our people Pages 38–43
Cybersecurity	The security and resilience of our networks, systems, products and services, and how we protect customer, company and partner information from cyber threats.	Our customers Pages 20–25
Digital trust: privacy and online safety	How we collect, use, store and share personal information, keep it safe, and help build trust in digital technology by supporting safer online experiences.	Our customers Pages 20–25
Impacts of AI	The responsible use of AI and its impacts on trust in technology, decision-making, work, skills and workforce transition.	Data ethics and governance Page 64
Digital equity: access, skills and wellbeing	This includes digital access, affordability and removing barriers to people getting connected; digital skills and career pathways into the technology sector; and supporting people to participate confidently and safely in an increasingly digital world.	Our communities Pages 34–37
Disaster and crisis response	The role of telecommunications in responding to natural disasters and crisis events.	Our network and technology Pages 26–29
High-performance culture: capability and development	Creating the conditions for high performance by developing capability, fostering growth and inclusion, and enabling our people to adapt, perform and contribute to Spark's long-term success.	Our people Pages 38–43
Financial performance and operational excellence	Executing our business strategy to build financial capital.	Our performance Pages 14–17 Financial statements Page 69
Partnering for Aotearoa's future	How we partner and collaborate across Aotearoa, guided by the principles of Te Tiriti, and the role our technology plays in lifting productivity and enabling growth for New Zealand.	Our communities Pages 34–37 Our people Page 41

Stakeholder engagement

Spark engages with a broad range of stakeholders as detailed in the table below. In selecting stakeholders to engage with, we are guided by the definition set out in GRI 101: "entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products or services; or whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives".

Stakeholder group	How we engage
Spark employees	• Regular engagement surveys and use of 'sounding boards' on large programmes of work • Comprehensive programme of internal communications and engagement from Leadership Team (through roadshows and online channels) • Engagement with cross-section of employees in the preparation of this report
Shareholders	Regular engagement with investors including: • Semi-annual earnings announcements, together with semi-annual post-result investor briefings • Annual meeting that allows shareholders a chance to meet and ask questions directly of the Spark Board and Leadership Team • Regular investor roadshows • Periodic investor strategy briefings
Strategic global partners	• Established partnership governance in place with senior representatives from both organisations to ensure the partnership is operating to achieve mutual outcomes • Dedicated partner managers are in place for day-to-day operational engagement
Suppliers	• Ongoing conversations with our suppliers – both informal and formal • Annual supplier ESG survey of high-risk/priority suppliers
Customers	• Regular feedback from customers on their experiences with us and their views of Spark as a business through our Net Promoter Score methodology and through our Voice of the Customer programme • Meetings with customers on sustainability topics, sharing sustainability focus areas and exploring opportunities to work together
Government	• Engagement with central Government on issues related to the telecommunications industry, infrastructure investment, environmental sustainability, and digital equity • Engagement with local government to manage the process and impacts of infrastructure investment
Media	• Responding to media enquiries and through a proactive programme of engagement with key members of New Zealand's media
Local communities	• Engagement with local communities, iwi, and hapū affected by our activities, in particular, where we are building new network infrastructure • Deployed hardware and connectivity to over 650 marae, and established relationships with hapū across the country, through our Marae Digital Connectivity programme • Having a range of partners that help us support impactful initiatives that uplift Hapori Māori, through Te Korowai Tupu
Community partners	• Working in partnership with community partners on an ongoing basis via Spark Foundation
Industry organisations	• Engagement with a number of industry organisations, representing the telecommunications and technology sector, community groups, and the New Zealand business community

External initiatives Spark subscribes to or endorses

- Spark is a founding member of the Climate Leaders Coalition (CLC). The CLC is a group of CEOs who have collectively committed to voluntary action on climate change, measuring and publicly reporting on their emissions, and setting an absolute target for reducing emissions in line with the Paris Agreement.
- Spark has committed to a voluntary Product Stewardship scheme for mobile phones, which is actioned by the Re:Mobile initiative.
- Spark's Chief Marketing and Corporate Affairs Officer, Leela Ashford is part of the Ministry for the Environment's Climate Business Advisory Group, and the Department of Internal Affairs' Independent Reference Group, which maintains oversight of the operation of the Digital Child Exploitation Filtering System (DCEFS).

Spark was an active member of the following associations in FY26:

- International Telecommunication Union (Radiocommunication Sector membership)
- 3rd Generation Partnership Project (3GPP)
- Infrastructure New Zealand
- GSM Association (GSMA)
- New Zealand Internet Task Force
- Telecommunications Forum (TCF)
- NZTech
- TUANZ
- Business NZ
- Sustainable Business Council
- Global Women (including Champions for Change)
- JAC (the Joint Alliance for CSR)
- Digital Equity Coalition Aotearoa (DECA) (membership through Spark Foundation)

Glossary

3G	third-generation mobile network as defined by the International Telecommunication Union.
4G	fourth-generation mobile network as defined by the International Telecommunication Union.
5G	fifth-generation mobile network as defined by the International Telecommunication Union.
5G standalone	a network that has a 5G core as well as 5G on mobile towers rather than non-standalone 5G, which uses a combination of existing 4G LTE architecture with a 5G radio access network (RAN).
ARMC	the Audit and Risk Management Committee.
ARPU	average revenue per user.
ASX	the Australian Securities Exchange.
Company	Spark New Zealand Limited.
EBITDAI	earnings before finance income and expense, income tax, depreciation, amortisation, and net investment income.
GRI	the Global Reporting Initiative.
Group	the Group in relation to the financial statements, which are prepared for Spark New Zealand Limited (the Company) and its subsidiaries (together the Group).
HRCC	the Human Resources and Compensation Committee.
iNPS	interaction net promoter score, a measure of customer satisfaction.
IoT	the internet of things.
IFRS	International Financial Reporting Standards.
LTI	Long-Term Incentive, which is part of the Spark Leadership Team and CEO’s remuneration.
Network slicing	allows the operator to ‘slice’ its network to support different types of services through each ‘slice’. Multiple slices can be tuned independently to meet different quality-of-service parameters. For example, one slice may simply need a standard speed connection to enable office email, another might be tuned to support very low data Internet of Things devices, while another slice may need high reliability and ultra-low latency to support robotics.
NOMs	the Nominations and Corporate Governance Committee.
NPS	Net Promoter Score.
NZ GAAP	Generally Accepted Accounting Practice in New Zealand.
NZ IFRS	New Zealand Equivalent to International Financial Reporting Standards.
NZX	NZX Limited.
PSTN	Public Switched Telephone Network.
SME	Small and Medium Enterprise
Southern Cross	Southern Cross Cables group of companies, which consists of two sister companies, Southern Cross Cables Holdings Limited and Pacific Carriage Holdings Limited and their subsidiaries.
STI	Short-Term Incentive, which is part of Spark Leadership Team and CEO remuneration.
TRIFR	Total Recordable Incident Frequency Rate per million Spark employee hours worked.
TSR	Total Shareholder Return is a measure of share price appreciation and dividends paid over a given period.

Contact details

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Company Secretary

Paige Howard-Smith

For more information

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