SPARK FINANCE LIMITED

Annual Report 2026

For the year ended 30 June 2026

Directors' report

Spark Finance Limited (‘Spark Finance’ or ‘the Company’) is a wholly-owned subsidiary of Spark New Zealand Limited (‘Spark New Zealand’ and together with its subsidiaries, the ‘Spark New Zealand Group’).

Principal activities
The principal activity of Spark Finance is that of a finance company for the Spark New Zealand Group and was incorporated in 1991. Spark Finance raises debt funding in New Zealand and internationally. The majority of these funds are then advanced to other members of the Spark New Zealand Group in order to assist in funding their operations.

Principal risks
The key risks to Spark Finance are currency, interest rate, credit, and liquidity risks. A summary of these risks and Spark Finance’s risk management objectives and policies are set out in note 10 in the Company's financial statements. The Directors of Spark Finance do not believe there is any significant financial risk to Spark Finance as financial assets are matched by financial liabilities with similar characteristics. Spark Finance enters into derivative financial instruments in order to manage the currency and interest rate risks associated with its borrowings, as well as to manage the currency risk associated with the operations of the Spark New Zealand Group. As the proceeds of debt are advanced to other members of the Spark New Zealand Group, the ability of Spark Finance to meet its obligations under the debt issues depends upon the payment of principal and interest due from other Spark New Zealand Group companies.

Business review
Spark Finance recorded net earnings after tax for the year ended 30 June 2026 of $191 million compared to $193 million for the year ended 30 June 2025. Potential volatility in earnings caused by Spark Finance's exposure to movements in foreign exchange rates on financial instruments that are held on behalf of members of the Spark New Zealand Group is mitigated by back-to-back deals with these members.

The net assets of Spark Finance as at 30 June 2026 were $1,075 million compared to $1,068 million as at 30 June 2025. The share capital of Spark Finance as at 30 June 2026 is $883 million (30 June 2025: $883 million) consisting of 882,872,600 issued and fully paid shares, of which 342,872,600 are ordinary shares. Spark Finance did not acquire any of its own shares during the year ended 30 June 2026 (30 June 2025: nil).

On 29 August 2025, Spark Finance paid a dividend relating to FY25 of 21.52 cents per share or $190 million to Spark New Zealand Limited (SNZL), which was paid through the intercompany current account (30 August 2024: 18.69 cents per share or $165 million for the FY24 dividend).

On 27 November 2025, Spark Finance 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 Finance 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 the Spark New Zealand Group's 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.

On 7 July 2025, a $24 million loan receivable from SNZL matured and was settled through the intercompany current account.

On 31 December 2025, a $488 million loan receivable from Spark New Zealand Trading Limited (SNT) matured and was similarly settled through the intercompany current account.

The Directors of Spark Finance consider the results of the Company to be satisfactory and the Company to be in a sound financial position.

Spark Finance solely lends to other companies within the Spark New Zealand Group and, accordingly, its financial performance should be considered in conjunction with the financial performance of the Spark New Zealand Group. A copy of the Spark New Zealand Group’s results for the year ended 30 June 2026 can be found at investors.sparknz.co.nz.

Based on current expectations, Spark Finance will continue to operate as the principal finance company for the Spark New Zealand Group. Spark Finance does not engage in research and development activities.

On behalf of the Board

Signed by:	DocuSigned by:
82A55F19167B415...	EAE6EE455755407...
Stewart Taylor	Matthew Sheppard
DIRECTOR	DIRECTOR

Date: 27 August 2026

Other information

Directors
The Directors of Spark Finance as at 30 June 2026 were:
Stewart Taylor
Matthew Sheppard
John Wesley-Smith

Melissa Anastasiou ceased to be a director on 01 November 2025, and John Wesley-Smith was appointed as a director on 01 November 2025.

Gender composition
The following table details the gender composition of Spark Finance's Board of Directors and Officers / Senior Managers:

	As at 30 June 2026		As at 30 June 2025	
	Male	Female	Male	Female
Number of Directors[1]	3	0	2	1
Percentage of Directors	100%	0%	67%	33%
Number of Officers / Senior Managers[1,2]	-	1	-	1
Percentage of Officers / Senior Managers	0%	100%	0%	100%

[1] For the purposes of NZX Listing Rule 3.8.1(c) no Directors or Officers / Senior Managers self-identify as gender diverse.

[2] The Chief Executive of Spark New Zealand is considered an "officer" for the purposes of the NZX Main Board / Debt Market Listing Rules and a "senior manager" for the purposes of the Financial Markets Conduct Act 2013.

Corporate governance
The Board of Spark New Zealand is committed to ensuring that the Spark New Zealand Group maintains a high standard of corporate governance and adheres to high ethical standards. Spark Finance operates within the corporate governance policies, practices, and processes of the Spark New Zealand Group. Full descriptions of these policies, practices, and processes are referred to in the Spark New Zealand annual report (available at investors.sparknz.co.nz), with reference to the Spark Corporate Governance Statement FY26 and the Diversity and Inclusion Policy (including an evaluation of the Spark New Zealand Group's performance with respect to that Policy and the NZX Corporate Governance Code), which are available at www.sparknz.co.nz/about/governance.

Interests
Deeds of indemnity have been granted to the Directors of Spark Finance in relation to potential liabilities and costs that they may incur for acts or omissions in their capacity as Directors of Spark Finance and as employees of the Spark New Zealand Group. In addition, the Directors of Spark New Zealand have approved directors and officers liability insurance to cover risks normally covered by such policies arising out of the acts or omissions of Directors of Spark New Zealand and its subsidiaries, including Spark Finance, and of employees of the Spark New Zealand Group. This insurance does not cover dishonest, fraudulent, malicious, or wilful acts.

Credit rating
Spark New Zealand Limited (which guarantees Spark Finance's debt) has credit ratings from Standard & Poor's on its indebtedness. Details of ratings as at 30 June 2026 are as follows:
Long-term senior debt: A-
Short-term debt: A-2
Outlook: Negative

Climate-related disclosures exemption
While Spark Finance meets the definition of a climate-reporting entity under the Financial Markets Conduct Act 2013 (FMA), the Financial Markets Conduct (Climate Statements - Spark Finance Limited) Exemption Notice 2024 exempts Spark Finance from part 7A of the FMA, including the requirement to prepare climate statements (available at **www.fma.govt.nz/assets/Exemption/Financial-Markets-Conduct-Climate-Statements-Spark-Finance-Limited-Exemption-Notice-2024.pdf**). This exemption applies from the year ended 30 June 2024 and subsequent accounting periods, up to and including the year ending 30 June 2028. Spark Finance is relying on the exemption for the year ended 30 June 2026. The effect of the exemption is that Spark Finance has not prepared separate statements, and it is also exempt from related assurance and record keeping duties which would otherwise apply. As a subsidiary of Spark New Zealand, Spark Finance will be included in Spark New Zealand's climate-related disclosures report FY26, which can be found at **www.spark.co.nz/online/about/our-company/governance**.

Other information

Spread of security holders
As at 30 June 2026, Spark Finance had no 'quoted voting products' for the purposes of the Financial Markets Conduct Act 2013.

The spread of holders of quoted Spark Finance Domestic Notes as at 30 June 2026 was as follows:

NZX ticker code: SPF570

Range	Number of holders	% of holders	Number of bonds	% of bonds
1-1,000	-	-	-	-
1,001-5,000	5	3.85	25,000	0.02
5,001-10,000	23	17.69	220,000	0.18
10,001-50,000	63	48.46	1,748,000	1.40
50,001-100,000	11	8.46	866,000	0.69
100,001 and over	28	21.54	122,141,000	97.71
Total	130	100.00	125,000,000	100.00

NZX ticker code: SPF590

Range	Number of holders	% of holders	Number of bonds	% of bonds
1-1,000	-	-	-	-
1,001-5,000	9	6.82	45,000	0.04
5,001-10,000	19	14.39	180,000	0.14
10,001-50,000	59	44.70	1,833,000	1.47
50,001-100,000	13	9.85	1,025,000	0.82
100,001 and over	32	24.24	121,917,000	97.53
Total	132	100.00	125,000,000	100.00

NZX ticker code: SPF600

Range	Number of holders	% of holders	Number of bonds	% of bonds
1-1,000	-	-	-	-
1,001-5,000	11	8.53	55,000	0.03
5,001-10,000	19	14.73	171,000	0.10
10,001-50,000	57	44.18	1,437,000	0.82
50,001-100,000	12	9.30	976,000	0.56
100,001 and over	30	23.26	172,361,000	98.49
Total	129	100.00	175,000,000	100.00

Other information

The twenty largest registered holders of Spark Finance Domestic Notes as at 30 June 2026 were as follows:

NZX ticker code: SPF570

Name[1]		Number of bonds	% of bonds
1	New Zealand Central Securities Depository Limited	51,132,000	40.91
2	Custodial Services Limited	22,001,000	17.60
3	Nzx Wt Nominees Limited	10,642,000	8.51
4	FNZ Custodians Limited	10,634,000	8.51
5	Forsyth Barr Custodians Limited	3,777,000	3.02
6	Custodial Services Limited	3,151,000	2.52
7	Investment Custodial Services Limited	3,140,000	2.51
8	Adminis Custodial Nominees Limited	3,081,000	2.46
9	Public Trust	2,000,000	1.60
10	Custodial Services Limited	1,644,000	1.32
11	FNZ Custodians Limited	1,513,000	1.21
12	Forsyth Barr Custodians Limited	1,284,000	1.03
13	JBWERE (NZ) Nominees Limited	1,048,000	0.84
14	Woolf Fisher Trust Inc	1,000,000	0.80
15	JBWERE (NZ) Nominees Limited	885,000	0.71
16	Investment Custodial Services Limited	800,000	0.64
17	Forsyth Barr Custodians Limited	753,000	0.60
18	Royce Joseph Moodabe & Ngaire Gay Moodabe & Amalgamated Trustee Limited	600,000	0.48
19	Investment Custodial Services Limited	520,000	0.42
20	Jo Ann Arlene Scoggin & John Michael Sundheim	446,000	0.36

NZX ticker code: SPF590

Name[1]		Number of bonds	% of bonds
1	Custodial Services Limited	38,785,000	31.03
2	New Zealand Central Securities Depository Limited	25,935,000	20.75
3	FNZ Custodians Limited	17,403,000	13.92
4	Forsyth Barr Custodians Limited	10,863,000	8.69
5	JBWERE (NZ) Nominees Limited	6,374,000	5.10
6	Nzx Wt Nominees Limited	5,637,000	4.51
7	Investment Custodial Services Limited	3,911,000	3.13
8	JBWERE (NZ) Nominees Limited	2,500,000	2.00
9	FNZ Custodians Limited	1,870,000	1.50
10	Woolf Fisher Trust Inc	1,500,000	1.20
11	JBWERE (NZ) Nominees Limited	1,000,000	0.80
12	Custodial Services Limited	725,000	0.58
13	Forsyth Barr Custodians Limited	583,000	0.47
14	Darryl Edward Gregory & Emma Stephanie Gregory & Independent Trust Company (2020) Limited	500,000	0.40
14	JBWERE (NZ) Nominees Limited	500,000	0.40
14	JBWERE (NZ) Nominees Limited	500,000	0.40
14	JBWERE (NZ) Nominees Limited	500,000	0.40
15	The Roman Catholic Bishop Of The Diocese Of Dunedin	270,000	0.22
16	FNZ Custodians Limited	250,000	0.20
16	Nzx Wt Nominees Limited	250,000	0.20
16	Investment Custodial Services Limited	250,000	0.20
16	Mcmillan Nominees Limited	250,000	0.20
17	Wellspring Television Limited	237,000	0.19
18	Kps Society Limited	210,000	0.17
19	Custodial Services Limited	167,000	0.13
20	JBWERE (NZ) Nominees Limited	154,000	0.12

Other information

NZX ticker code: SPF600

Name[1]		Number of bonds	% of bonds
1	Custodial Services Limited	51,402,000	29.37
2	New Zealand Central Securities Depository Limited	46,278,000	26.44
3	FNZ Custodians Limited	34,969,000	19.98
4	Forsyth Barr Custodians Limited	16,684,000	9.53
5	Forsyth Barr Custodians Limited	4,019,000	2.30
6	JBWERE (NZ) Nominees Limited	3,949,000	2.26
7	FNZ Custodians Limited	3,722,000	2.13
8	Investment Custodial Services Limited	1,523,000	0.87
9	Nzx Wt Nominees Limited	1,279,000	0.73
10	Woolf Fisher Trust Inc	1,250,000	0.71
11	FNZ Custodians Limited	1,085,000	0.62
12	Custodial Services Limited	787,000	0.45
13	Malaghan Institute Of Medical Research Trust Board	700,000	0.40
14	FNZ Custodians Limited	617,000	0.35
15	JBWERE (NZ) Nominees Limited	600,000	0.34
16	Michael James Ross & Elizabeth Mary Hickey	400,000	0.23
16	Sirius Capital Limited	400,000	0.23
17	Craigs Investment Partners Limited	304,000	0.17
18	Aaw Jones Custodian Limited	300,000	0.17
19	JBWERE (NZ) Nominees Limited	290,000	0.17
20	Forsyth Barr Custodians Limited	270,000	0.15

[1] Some names are repeated due to them having different holder identification numbers to each other.

Other statutory information
As at 30 June 2026, Spark Finance had no employees (30 June 2025: nil). Spark Finance made no charitable donations during the year ended 30 June 2026 (30 June 2025: nil). Net tangible assets per security as at 30 June 2026 were $1.22 (30 June 2025: $1.21). Net earnings per security for the year ended 30 June 2026 were $0.216 (30 June 2025: $0.219).

Statement of profit or loss and other comprehensive income

YEAR ENDED 30 JUNE	NOTES	2026 $M	2025 $M
Finance income	2	401	435
Finance expense	2	(136)	(167)
Net finance income		265	268
Net earnings before income tax		265	268
Income tax expense	4	(74)	(75)
Net earnings		191	193
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Change in hedge reserves net of tax	6	6	(32)
Other comprehensive income/(loss)		6	(32)
Total comprehensive income		**197**	**161**

See accompanying notes to the financial statements.

Statement of changes in equity

YEAR ENDED 30 JUNE 2026	NOTE	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	TOTAL EQUITY $M
Balance at 1 July 2025		**883**	**206**	**(21)**	**1,068**
Net earnings		-	191	-	191
Other comprehensive income		-	-	6	6
Total comprehensive income		**-**	**191**	**6**	**197**
Dividends	9	-	(190)	-	(190)
Balance at 30 June 2026		**883**	**207**	**(15)**	**1,075**

YEAR ENDED 30 JUNE 2025	NOTE	SHARE CAPITAL $M	RETAINED EARNINGS $M	HEDGE RESERVES $M	TOTAL EQUITY $M
Balance at 1 July 2024		**883**	**178**	**11**	**1,072**
Net earnings		-	193	-	193
Other comprehensive income/(loss)		-	-	(32)	(32)
Total comprehensive income/(loss)		**-**	**193**	**(32)**	**161**
Dividends	9	-	(165)	-	(165)
Balance at 30 June 2025		**883**	**206**	**(21)**	**1,068**

See accompanying notes to the financial statements.

Statement of financial position

AS AT 30 JUNE	NOTES	2026 $M	2025 $M
Current assets			
Cash and cash equivalents		121	1
Short-term derivative assets	6	3	4
Due from other Spark New Zealand Group companies	5	4,777	4,785
Total current assets		**4,901**	**4,790**
Non-current assets			
Long-term prepayments		1	1
Due from other Spark New Zealand Group companies	5	540	1,330
Long-term derivative assets	6	24	11
Deferred tax assets	4	6	8
Total non-current assets		**571**	**1,350**
Total assets		**5,472**	**6,140**
Current liabilities			
Bank overdraft		-	6
Taxation payable		74	75
Due to other Spark New Zealand Group companies	7	3,259	3,499
Short-term derivative liabilities	6	4	7
Current debt	8	145	380
Accrued interest		4	3
Total current liabilities		**3,486**	**3,970**
Non-current liabilities			
Long-term derivative liabilities	6	21	60
Non-current debt	8	890	1,042
Total non-current liabilities		**911**	**1,102**
Total liabilities		**4,397**	**5,072**
Equity			
Share capital		883	883
Reserves		(15)	(21)
Retained earnings		207	206
Total equity		**1,075**	**1,068**
Total liabilities and equity		**5,472**	**6,140**

See accompanying notes to the financial statements.

On behalf of the Board of Spark Finance Limited

Signed by:
82A5F119167B415...
Stewart Taylor
DIRECTOR

DocuSigned by:
EAE6EF45F755407...
Matthew Sheppard
DIRECTOR

Authorised for issue on: 27 August 2026

Statement of cash flows

YEAR ENDED 30 JUNE	NOTE	2026 $M	2025 $M
Cash flows from operating activities			
Interest receipts		1	1
Payments for interest		(73)	(95)
Net deposits from other Spark New Zealand Group companies		629	262
Net cash flows from operating activities		**557**	**168**
Cash flows from financing activities			
Proceeds from derivatives	8	122	-
Repayment of derivatives	8	(107)	-
Proceeds from current debt	8	1,964	2,219
Repayment of current debt	8	(2,340)	(2,337)
Proceeds from non-current debt	8	4,715	10,159
Repayment of non-current debt	8	(4,785)	(10,214)
Net cash flows from financing activities		**(431)**	**(173)**
Net cash flow		**126**	**(5)**
Opening cash and cash equivalents position		(5)	-
Closing cash and cash equivalents position		**121**	**(5)**
Cash at banks		16	1
Short-term deposits		105	-
Bank overdraft		-	(6)
Closing cash and cash equivalents position	8	**121**	**(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 period		191	193
Adjustments to reconcile net earnings to net cash flows from operating activities			
Non-cash intercompany income	2	(400)	(434)
Non-cash intercompany expenses	2	63	74
Non-cash tax expense	4	74	75
Amortisation of discount		-	(1)
Revaluation of debt in a fair value hedge		60	46
Revaluation of derivatives in a fair value hedge		(59)	(45)
Movement in amounts with Spark New Zealand Group companies		629	262
Accrued interest and other expenses		(1)	(2)
Net cash flows from operating activities		**557**	**168**

See accompanying notes to the financial statements.

Notes to the financial statements

Note 1 Statement of accounting policies

Reporting entity

Spark Finance Limited 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. In these accounts, the term 'fellow subsidiaries' is used to describe other subsidiaries of Spark New Zealand Limited.

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 financial instruments as identified in the specific accounting policies below and in the accompanying notes.

These financial statements are expressed in New Zealand dollars, which is Spark Finance's functional and presentation currency. All financial information has been rounded to the nearest million, 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 or has changed, is specific to Spark Finance's operations or is significant or material. Where NZ IFRS does not provide an accounting choice, Spark Finance has applied the requirements of NZ IFRS, but a detailed accounting policy is not included.

New and amended standards

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* (NZ IFRS 18) will replace NZ IAS 1 *Presentation of Financial Statements* and may have a material impact on Spark Finance’s disclosures. NZ IFRS 18 has been issued but is not yet effective until the 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 Finance 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.

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 Finance.

Use of estimates and judgement

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 area of judgement for Spark Finance in preparing these financial statements is in the following note:

- Note 5 Due from other Spark New Zealand Group companies

Note 2 Finance income and expense

YEAR ENDED 30 JUNE	2026 $M	2025 $M
Finance income:		
Interest income on loans to other Spark New Zealand Group companies	400	434
Interest income on cash	1	1
Total	**401**	**435**
Finance expense:		
Net finance expense on debt:		
Foreign currency medium term notes	25	35
Domestic notes	24	29
Bank funding	6	21
Other debt[1]	11	(6)
Interest expense on loans from other Spark New Zealand Group companies	63	74
Other interest and finance expense	7	14
Total	**136**	**167**

[1] This is net finance expense/(income) on interest rate swaps.

Notes to the financial statements

Note 3 Other income and expenses

Audit fees of $25,800 and other assurance services relating to assurance over the sustainability linked loan of $21,000 have been paid for and recorded by a fellow subsidiary company (30 June 2025: $25,200 and $20,000, respectively).

No fees or other remuneration have been paid to the directors by Spark Finance or any related party in respect of services provided by the directors to Spark Finance (30 June 2025: nil). The Directors of Spark Finance receive remuneration (but no Directors' fees) from a fellow subsidiary company.

Note 4 Taxation

Income tax expense

	2026	2025
YEAR ENDED 30 JUNE	$M	$M
Net earnings before income tax	265	268
Tax at current rate of 28%	74	75
Total income tax expense	**74**	**75**

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 (2025: net deferred tax asset). The balance relates to deferred tax on derivative instruments. The movement in the deferred tax assets and liabilities is provided below:

	2026	2025
AS AT 30 JUNE	$M	$M
Opening balance as at 1 July	8	(4)
Amounts recognised in equity		
Relating to the current period	(2)	12
Closing balance as at 30 June	**6**	**8**

Spark Finance has elected to be a member of the Spark New Zealand Imputation Group. As at 30 June 2026, the Spark New Zealand Imputation Group has a negative 53 million imputation credit account balance due to the timing of dividend and tax payments (30 June 2025: negative 53 million). The imputation credit account balance had a positive balance as at 31 March 2026.

Note 5 Due from other Spark New Zealand Group companies

	2026	2025
AS AT 30 JUNE	$M	$M
Current assets:		
Advances to Spark New Zealand Limited	4,661	4,090
Advances to fellow subsidiaries	116	695
	4,777	**4,785**
Non-current assets:		
Advances to Spark New Zealand Limited	-	790
Redeemable shares held in Spark New Zealand Trading Limited (SNT)	540	540
	540	**1,330**

Amounts due from Spark New Zealand Limited and fellow subsidiary companies have interest rates of between 2.25% and 8.0% (30 June 2025: between 3.25% and 8.0%). These amounts are repayable at the option of Spark Finance, Spark New Zealand Limited, and fellow subsidiary companies (as applicable). Other term advances to Spark New Zealand Limited and fellow subsidiary companies have an interest rate of 8.0% (30 June 2025: 8.0%). These advances can be redeemed at book value at the option of either party. For the purposes of classification between current and non-current assets in the statement of financial position, these items have been allocated based upon expected realisation. An item is classified as current when it is expected to be realised within twelve months after the reporting period.

On 7 July 2025, a $24 million loan receivable from Spark New Zealand Limited matured and was settled through the intercompany current account.

On 31 December 2025, a $488 million loan receivable from SNT matured and was similarly settled through the intercompany current account.

The redeemable shares held in a fellow subsidiary company do not confer voting rights to Spark Finance and are redeemable at the option of Spark Finance or SNT. The receivable has been classified as a non-current asset based upon expected realisation and is held at amortised cost. Spark Finance holds 540,000,000 redeemable shares, these shares are redeemable at $1.

Key estimates and assumptions

Management assesses the recoverability of its investment in redeemable shares of SNT and other intercompany receivables at each reporting date. These assessments require judgement and estimates regarding the fellow subsidiary companies' future financial performance and ability to generate sufficient cash flows to support recovery of the balances.

In performing these assessments, management considers factors including historical defaults, profitability, net asset position, liquidity, access to funding, and the availability of ongoing Spark New Zealand Group support. Based on these assessments, the carrying value of the investment in redeemable shares and other intercompany receivables are fully recoverable as at 30 June 2026. Accordingly, no impairment loss or expected credit loss allowance has been recognised (2025: nil).

Changes in the future performance or financial position of the fellow subsidiary companies could impact these assessments and may result in impairment losses or expected credit losses being recognised in future periods.

Notes to the financial statements

Note 6 Derivative assets and liabilities

	2026		2025	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
AS AT 30 JUNE	$M	$M	$M	$M
Designated in a cash flow hedge	-	(17)	-	(22)
Designated in a fair value hedge	9	-	11	(1)
Designated in a dual fair value and cash flow hedge	15	(5)	-	(40)
Other	3	(3)	4	(4)
	27	(25)	15	(67)
Short-term derivatives	3	(4)	4	(7)
Long-term derivatives	24	(21)	11	(60)

Spark Finance's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange. 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 Finance 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 Finance 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 Finance'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 Finance'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 Finance also enters into forward foreign exchange contracts to hedge forecast foreign currency purchases on behalf of other members of the Spark New Zealand Group, 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.

A reconciliation of movements in the hedge reserves, net of tax, is outlined below:

	2026	2025
YEAR ENDED 30 JUNE	$M	$M
Opening balance as at 1 July	(21)	11
Loss recognised in other comprehensive income	(6)	(41)
Amount reclassified to finance expense	12	9
Total movements to other comprehensive income	**6**	**(32)**
Closing balance as at 30 June	**(15)**	**(21)**

Included in the closing balance at 30 June 2026 is $2 million relating to the cost of hedging reserve (30 June 2025: $3 million).

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.

Note 6 Derivative assets and liabilities (continued)

Dual fair value and cash flow hedges

Spark Finance has Australian dollar (AUD) and Norwegian krone (NOK) denominated debt. As part of Spark Finance'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 Finance'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 equity reserve. Subsequently, the cumulative amount is transferred to profit or loss at the same time as the hedged item impacts profit or loss.

The details of the hedging instruments are as follows:

			CARRYING AMOUNT OF THE HEDGING INSTRUMENT		
AS AT 30 JUNE 2026	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	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)
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)
			24	**(22)**	**2**

			CARRYING AMOUNT OF THE HEDGING INSTRUMENT		
AS AT 30 JUNE 2025	NOTIONAL AMOUNT OF HEDGING INSTRUMENT	STATEMENT OF FINANCIAL POSITION LINE ITEM	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)
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	**(63)**	**(52)**

Notes to the financial statements

Note 6 Derivative assets and liabilities (continued)

The details of the 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
Fair value hedges							
Domestic Notes	8	Current and non-current debt	-	(434)	-	(9)	(9)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 150m)	8	Non-current debt	-	(179)	4	-	(13)
Australian Medium Term Notes (AUD 125m)	8	Non-current debt	-	(136)	16	-	(2)
Norwegian Medium Term Notes (NOK 1b)	8	Non-current debt	-	(166)	12	-	5
			-	**(915)**	**32**	**(9)**	**(2)**

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
Fair value hedges							
Domestic Notes	8	Non-current debt	-	(435)	1	(11)	(10)
Fair value and cash flow hedges							
Australian Medium Term Notes (AUD 100m)	8	Current debt	-	(105)	3	-	2
Australian Medium Term Notes (AUD 150m)	8	Non-current debt	-	(160)	1	-	6
Australian Medium Term Notes (AUD 125m)	8	Non-current debt	-	(123)	12	-	13
Norwegian Medium Term Notes (NOK 1b)	8	Non-current debt	-	(154)	9	-	19
			-	**(977)**	**26**	**(11)**	**52**

Notes to the financial statements

Note 7 Due to other Spark New Zealand Group companies

AS AT 30 JUNE	2026 $M	2025 $M
Due to fellow subsidiary companies	3,259	3,499
	3,259	**3,499**

Amounts due to fellow subsidiary companies have interest rates of between 2.25% and 6.0% (30 June 2025: between 3.25% and 6.0%) and are repayable at book value at the option of either the fellow subsidiary company or Spark Finance (as applicable), or on a date mutally agreed by both parties.

Note 8 Debt

Debt is initially recognised 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 over the period of the borrowings, using the effective interest rate method.

	NOTES	FACILITY	COUPON RATE	MATURITY	2026 $M	2025 $M
Current debt						
Commercial paper			Variable	< 3 months	20	150
					20	**150**
Bank funding						
MUFG Bank Ltd[1]		125 million NZD	Variable	29/05/2026	-	125
					-	**125**
Domestic notes						
125 million NZD	6		3.94%	07/09/2026	125	-
					125	**-**
Foreign currency Medium Term Notes						
Australian Medium Term Notes - 100 million AUD	6		1.90%	05/06/2026	-	105
					-	**105**
Total current debt					**145**	**380**
Non-current debt						
Bank funding						
Commonwealth Bank of Australia[1]		100 million NZD	Variable	30/11/2027	-	70
					-	**70**
Domestic notes						
125 million NZD	6		3.94%	07/09/2026	-	124
100 million NZD[2]			4.37%	29/09/2028	100	100
125 million NZD	6		5.21%	18/09/2029	128	129
175 million NZD	6		5.45%	18/09/2031	181	182
					409	**535**
Foreign currency Medium Term Notes						
Australian Medium Term Notes - 150 million AUD	6		4.00%	20/10/2027	179	160
Australian Medium Term Notes - 125 million AUD	6		2.60%	18/03/2030	136	123
Norwegian Medium Term Notes - 1 billion NOK	6		3.07%	19/03/2029	166	154
					481	**437**
Total non-current debt					**890**	**1,042**
Total debt					**1,035**	**1,422**

[1]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.

[2] 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.

Notes to the financial statements

Note 8 Debt (continued)

On 27 November 2025, Spark Finance 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 Finance 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 the Spark New Zealand Group's 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.

None of Spark Finance's debt is secured and all debt ranks equally with other liabilities. There are no financial covenants over Spark Finance'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 Finance'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 $1,051 million compared to a carrying value of $1,035 million (30 June 2025: fair value of $1,436 million compared to a carrying value of $1,422 million).

Net debt

Net debt includes external debt at the value of hedged cash flows due to arise on maturity less any cash and cash equivalents (including bank overdrafts). Net debt is a non-GAAP measure and is not defined in accordance with NZ IFRS but is a measure used by management. A reconciliation of the movements in net debt is provided below:

YEAR ENDED 30 JUNE 2026	AS AT 1 JULY 2025	CASH FLOWS PROCEEDS	CASH FLOWS PAYMENTS	NON-CASH MOVEMENTS INTEREST AMORTISATION	NON-CASH MOVEMENTS FAIR VALUE CHANGES	NON-CASH MOVEMENTS FOREIGN EXCHANGE MOVEMENT	OTHER	AS AT 30 JUNE 2026
	$M	$M	$M	$M	$M	$M	$M	$M
Cash and cash equivalents	5	(7,431)	7,305	-	-	-	-	(121)
Current debt	380	1,964	(2,340)	-	3	14	124	145
Non-current debt	1,042	4,715	(4,785)	-	(10)	53	(125)	890
Derivatives	30	122	(107)	-	3	(67)	-	(19)
Net debt	**1,457**	**(630)**	**73**	**-**	**(4)**	**-**	**(1)**	**895**

YEAR ENDED 30 JUNE 2025	AS AT 1 JULY 2024	CASH FLOWS PROCEEDS	CASH FLOWS PAYMENTS	NON-CASH MOVEMENTS INTEREST AMORTISATION	NON-CASH MOVEMENTS FAIR VALUE CHANGES	NON-CASH MOVEMENTS FOREIGN EXCHANGE MOVEMENT	OTHER	AS AT 30 JUNE 2025
	$M	$M	$M	$M	$M	$M	$M	$M
Cash and cash equivalents	-	(12,641)	12,646	-	-	-	-	5
Current debt	393	2,219	(2,337)	(1)	-	-	106	380
Non-current debt	1,156	10,159	(10,214)	-	43	3	(105)	1,042
Derivatives	79	-	-	-	(45)	(3)	(1)	30
Net debt	**1,628**	**(263)**	**95**	**(1)**	**(2)**	**-**	**-**	**1,457**

Note 9 Equity and dividends

Contributed capital

As at 30 June 2026 contributed capital consisted of 882,872,600 (30 June 2025: 882,872,600) issued and fully paid shares, of which 342,872,600 (30 June 2025: 342,872,600) were ordinary shares. Each of the shares confers on the holder the right to vote at any general meeting of Spark Finance. 540,000,000 (30 June 2025: 540,000,000) of the shares are redeemable at the option of Spark Finance, in accordance with the terms of its constitution. No other conditions are attached to the ordinary and redeemable shares. There is no par value on the ordinary shares issued by Spark Finance.

Dividend

On 29 August 2025, Spark Finance paid a dividend relating to FY25 of 21.52 cents per share or $190 million to Spark New Zealand Limited, which was paid through the intercompany current account (30 August 2024: 18.69 cents per share or $165 million for the FY24 dividend).

Notes to the financial statements

Note 10 Financial instruments and risk management

Spark Finance is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates. The Company employs risk management strategies, including the use of derivative financial instruments, to manage these exposures through a Spark New Zealand Group Board-approved treasury policy, which provides the framework within which treasury related activities are conducted.

Spark Finance 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.

i) Currency risk
Nature of the risk
Currency risk is the risk that the eventual New Zealand dollar net cash flows will be adversely affected by changes in foreign currency exchange rates.

Exposure and risk management
Spark Finance's exposure to foreign currencies arising from financial instruments is:

AS AT 30 JUNE 2026	AUD NZ$M	USD NZ$M	NOK NZ$M	TOTAL NZ$M
Exposures				
Cash and cash equivalents	-	1	-	1
Non-current debt	(335)	-	(178)	(513)
Due to other Spark New Zealand Group companies	2	-	-	2
Total exposure from non-derivative financial instruments	**(333)**	**1**	**(178)**	**(510)**
Hedging instruments				
NZD cross-currency interest rate swaps	335	-	178	513
Total exposure from hedging instruments	**335**	**-**	**178**	**513**

AS AT 30 JUNE 2025	AUD NZ$M	USD NZ$M	NOK NZ$M	TOTAL NZ$M
Exposures				
Current debt	(108)	-	-	(108)
Non-current debt	(297)	-	(163)	(460)
Due to other Spark New Zealand Group companies	(1)	-	-	(1)
Total exposure from non-derivative financial instruments	**(406)**	**-**	**(163)**	**(569)**
Hedging instruments				
NZD cross-currency interest rate swaps	405	-	163	568
Total exposure from hedging instruments	**405**	**-**	**163**	**568**

Spark Finance manages currency risk arising from foreign currency debt through hedging. Spark Finance's debt issued in NOK and AUD is fully hedged using cross-currency interest rate swaps to convert foreign currency cashflows into a floating rate New Zealand dollar exposure.

Spark Finance enters into forward foreign exchange contracts to protect the Spark New Zealand Group from the risk that the eventual New Zealand dollar net cash flows will be adversely affected by changes in foreign currency exchange rates. Forward foreign exchange contracts are used to hedge the Spark New Zealand Group's forecast transactions that have a high probability of occurrence and firm purchase commitments in fellow subsidiaries (mainly denominated in US dollars). Forward foreign exchange contracts are also used to hedge foreign currency assets held by the Spark New Zealand Group. These forward foreign exchange contracts are not designated as hedging instruments and are therefore classified as held for trading.

Sensitivity to foreign exchange rate movements
As at 30 June 2026, a movement of 10% in the New Zealand dollar would (after hedging) impact Spark Finance's statement of profit or loss and other comprehensive income by less than $1 million (30 June 2025: less than $1 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.

ii) Interest rate risk
Nature of the risk
Interest rate risk is the risk that fluctuations in interest rates impact Spark Finance's cash flows, financial performance, or the fair value of its holdings of financial instruments.

Notes to the financial statements

Note 10 Financial instruments and risk management (continued)

Exposure and risk management
Spark Finance is exposed to interest rate risk from its financing activities, which primarily includes loans and debt issuance either at fixed or floating rates. For floating-rate exposures Spark Finance 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 Finance'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 statement of changes in equity by $3 million to $4 million (30 June 2025: $4 million to $5 million).

iii) Credit risk
Nature of the risk
Credit risk arises in the normal course of Spark Finance's business from financial instruments, including cash and cash equivalents, advances to Spark New Zealand Group companies and derivative financial instruments if a counterparty fails to meet its contractual obligations.

Exposure and risk management
Spark Finance is exposed to credit risk if Spark New Zealand Group companies and counterparties fail to make payments in respect of:
- Term advances that fall due; and
- Contractual cash flows of derivative assets held at fair value.

Spark Finance's assets subject to credit risk as at 30 June 2026 are $5,465 million (30 June 2025: $6,131 million).

Spark Finance considers the probability of default upon initial recognition of financial instruments, advances to Spark New Zealand Group companies, 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 Finance 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
- Significant changes in the value of the collateral supporting the obligation or in the quality of guarantees or credit enhancements.

Spark Finance 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 Finance 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 party. The carrying amounts of financial assets represent the maximum credit exposure.

iv) Liquidity risk
Nature of the risk
Liquidity risk represents Spark Finance's ability to meet its contractual obligations as they fall due.

Exposure and risk management
Spark Finance evaluates its liquidity requirements on an ongoing basis. In general, Spark Finance generates sufficient cash flows from its operating activities to meet financing costs on external debt. If this is not the case, Spark Finance would have to recall funds advanced to other Spark New Zealand Group companies in order to repay its current and non-current debt.

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 facility with $6 million drawn).

There are no compensating balance requirements associated with these facilities.

In the event that Spark Finance is liquidated or ceases to trade, all non-preferential external creditors rank equally in their claims to the financial assets of Spark Finance. Spark Finance'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 Finance'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.

Notes to the financial statements

Note 10 Financial instruments and risk management (continued)

Maturity analysis
The following table provides an analysis of Spark Finance'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							
Due to other Spark New Zealand Group companies	3,259	3,269	2,916	353	-	-	-
Current and non-current debt	1,035	1,185	162	21	216	608	178
	4,294	**4,454**	**3,078**	**374**	**216**	**608**	**178**
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)	(176)	(163)	(13)	-	-	-
Outflows	3	176	163	13	-	-	-
	(2)	**(20)**	**9**	**1**	**(10)**	**(21)**	**1**
	4,292	**4,434**	**3,087**	**375**	**206**	**587**	**179**

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							
Due to other Spark New Zealand Group companies	3,499	3,517	3,184	333	-	-	-
Current and non-current debt	1,422	1,602	364	131	162	758	187
Guarantee	-	25	25	-	-	-	-
	4,921	**5,144**	**3,573**	**464**	**162**	**758**	**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	(4)	(217)	(165)	(30)	(22)	-	-
Outflows	4	217	165	30	22	-	-
	52	**53**	**11**	**4**	**12**	**26**	**-**
	4,973	**5,197**	**3,584**	**468**	**174**	**784**	**187**

Note 10 Financial instruments and risk management (continued)

Carrying amounts are as disclosed in the statement of financial position in accordance with Spark Finance's accounting policies. Contractual cash flows include undiscounted principal and interest amounts and are presented at the earliest date on which Spark Finance could be required to repay.

Guarantees
In FY25, Spark Finance granted an indemnity in relation to a performance bank guarantee of $25 million for a fellow subsidiary company which was not called upon. This guarantee was cancelled in FY26.

Note 11 Related party transactions

Spark Finance provides financing for the Spark New Zealand Group. These entities are all related parties by virtue of their common control. Transactions and amounts owing to and from these companies are separately disclosed throughout these financial statements. Spark Finance also enters into derivative financial instruments with fellow subsidiaries. These arrangements are matched with similar derivative financial instruments obtained from the external market.

The notional principal or contract amounts payable to the related parties are as follows:

AS AT 30 JUNE	2026 $M	2025 $M
Forward foreign exchange contracts	90	110

Note 12 Commitments and contingencies

There are no commitments or contingencies other than those outlined in the above notes (30 June 2025: nil).

Note 13 Subsequent events after balance date

On 26 August 2026, the Directors approved a dividend of 21.63 cents per share or $191 million to Spark New Zealand Limited to be paid on 28 August 2026.

Deloitte.

Independent Auditor's Report

To the Shareholders of Spark Finance Limited

Opinion

We have audited the financial statements of Spark Finance Limited (the 'Company'), which comprise the statement of financial position as at 30 June 2026, and the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements, on pages 7 to 20, present fairly, in all material respects, the financial position of the Company as at 30 June 2026, and its 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 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 Company 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 for the Spark New Zealand Limited Group ('Group'), of which Spark Finance Limited is a member. This included an audit and review of the annual and 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 to the Group 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 of the Group 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 Group. 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 Company 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).

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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 Company's financial statements as a whole to be $19.5m.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of Intercompany Advances and Redeemable Shares ('Intercompany Receivables') As disclosed in Note 1, Note 5 and Note 10, the Company has intercompany receivables of $5.3b due from entities within the Spark Group. The recoverability of these balances is dependent on the ability of the borrowing entities to generate sufficient future cash flows to meet their obligations. The Company's assessment of recoverability requires judgement and incorporates assumptions regarding the future financial performance of the borrowing entities, including expected cash flows and forecast operating results. Given the significance of the intercompany receivable balances and the judgement involved in assessing recoverability, we considered this to be a key audit matter.	Our audit procedures included: • Evaluating the Company's process for assessing the recoverability of intercompany receivables and the related expected credit loss assessment. • Assessing the financial performance, liquidity position and net assets of the borrowing entities. • Evaluating the assumptions used in the Group's forecasts, including consistency with Board-approved budgets, strategic plans and other internal forecasts. • Comparing key forecast assumptions of the Group to historical performance and other available audit evidence. • Assessing the Group's consideration of available liquidity, funding arrangements and ongoing group support available to the borrowing entities. • Evaluating the adequacy of the Company's disclosures relating to the recoverability of intercompany receivables.

Other information

The directors are responsible on behalf of the Company for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the 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 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.

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Directors' responsibilities for the financial statements

The directors are responsible on behalf of the Company for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as apoperations orrs related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2

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
27 August 2026

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