Spark New Zealand FY25 Results Summary

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Spark nz

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FY25 results summary

FY25 result within updated guidance
Stabilising our performance

	FY25 Guidance	FY25 Outcome
Adjusted EBITDAI	$1,040m-$1,100m	$1,060m
Capex	~$415m - $435m	$429m
Dividend	25.0 cps	25.0 cps

Significant transformation on track
Resetting our business and cost base for a stronger future

1. Market momentum in core business
2. Simplified portfolio
3. Transformed cost base
4. Realising value from data centre business

Strategy and capital management reset
Setting a path for sustainable value creation

- New five-year strategy focuses Spark on core business of connectivity
- Revised Capital Management Framework to deliver sustainable dividend paid out of free cash flow

FY25 financial snapshot

Adjusted revenue [1][3]
$3,700 million
4.2% decrease vs. FY24

Adjusted EBITDAI [3] [4]
$1,060 million
8.9% decrease vs. FY24

Adjusted NPAT [3]
$227 million
33.6% decrease vs. FY24

Reported revenue [2]
$3,725 million
2.5% decrease vs. FY24

Reported EBITDAI [2] [4]
$1,053 million
7.7% decrease vs. FY24

Reported NPAT
$260 million
17.7% decrease vs. FY24

Capex [4]
$429 million
17.2% decrease vs. FY24

Free cash flow [4]
$330 million
Flat vs. FY24

FY25 final dividend
Final dividend of 12.5cps, taking total FY25 dividend to 25.0 cps

Overall return on invested capital ROIC [5] of 8.7%

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(1) Operating revenues and other gains
(2) Reported revenue and EBITDAI exclude the results of the data centre business which has been classified as a discontinuing operation in the Financial Statements (see Appendix for further detail).

(3) Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. See Appendix 1 for further details.

(4) Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI) and capital expenditure (CAPEX) are non-Generally Accepted Accounting Principles (non-GAAP) performance measures that are defined in note 2.5 of Spark's Annual Report. Free cash flow is also a non-GAAP measure and is defined on page 7 of Spark's detailed KPIs.
(5) ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity)

Significant transformation on track

We have taken action to transform our business and cost base – with more still to do

What we said we would do	What we've done so far	See slides
Telco core Drive momentum in core business	• Grew consumer and SME pay monthly connections and ARPU (when excluding impact of insurance) • Prepaid connection decline stabilising in H2 25 • Stabilised connections in Enterprise & Government (E&G)	7-11
Portfolio Review non-core assets and simplify Enterprise & Government (E&G)	• Divested Connexa and HTAL shareholdings, generating $356 million[1] in proceeds • Integrated B2B subsidiaries into E&G division and simplified portfolios	12
Cost base Expand cost-out programme to deliver higher savings over multiple years	• Created new technology delivery model, supported by four global partnerships • Realised $85 million in cost savings in H2 25 vs H2 24 • On track to deliver annualised benefits of $110m-$140m by FY27[2]	13-15
Realising value Secure a capital partner for our data centre business	• Sale of 75% stake in data centre business expected to deliver initial cash proceeds of ~$486 million [3] at completion, while retained 25% stake supports long-term shareholder value creation (subject to regulatory and customary consents)	17-20

[1] $309 million from Connexa transaction (net of transaction costs), $47 million from HTAL transaction received 17 July 2025

[2] Subject to no material adverse change in operating outlook

[3] Final net proceeds subject to completion adjustments

New five-year strategy

Refocusing on our core connectivity business to grow competitive advantage and shareholder returns

To grow competitive advantage and shareholder returns

Our new strategy:

1. Refocuses Spark on our core business of connectivity - and in particular mobile - from a broader digital services ambition
2. Prioritises capital allocation to our core business, as new data centre partnership provides clarity on development pipeline funding
3. Is grounded in what matters most to our customers - our mobile network and customer experiences
4. Future proofs a scalable cost base through partnerships and AI

This creates

More reasons for customers to join and stay loyal to Spark

A performance driven culture, delivering great customer and people experiences

This will deliver

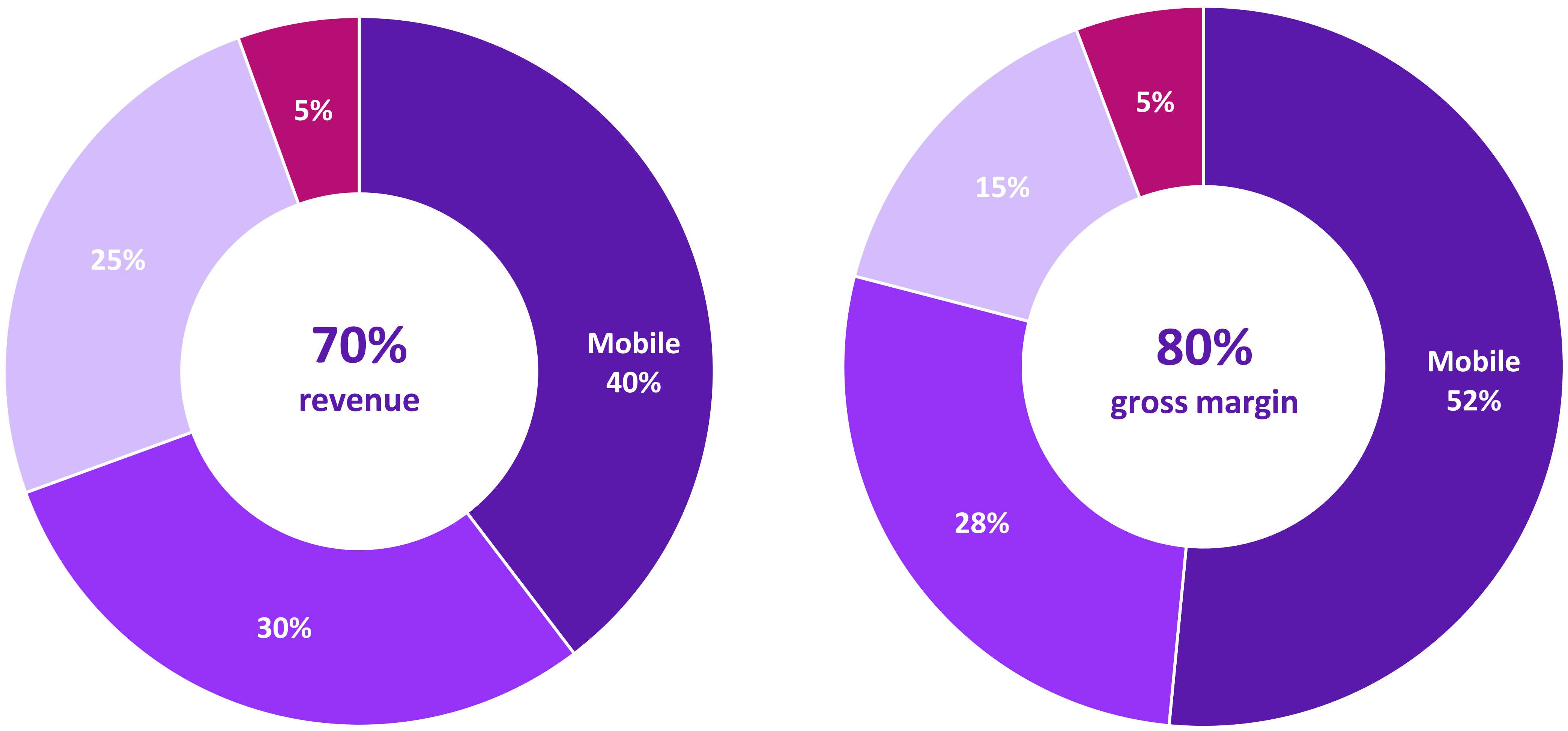
Stable annuity-like returns, with predictable free cash flow and growing dividends over time for our shareholders

See slides 30-35 for strategy summary

Connectivity is our core business

Mobile and connectivity is central to growth and our priority for investment

In FY25 connectivity contributed:



- Mobile
- Other connectivity[1]
- Cloud and IT
- Data centres

[(1)] Other connectivity includes broadband, managed data and networks, collaboration, IoT, and voice

Mobile performance overview

Performance impacted by removal of insurance and price competition in E&G and consumer prepaid, while pay monthly remains strong

Consumer and SME Pay Monthly

Increasing ARPU excluding insurance, combined with modest connection growth

- Connection growth reflects balance of competing in market and ARPU optimisation
- Underlying ARPU continues to improve – H2 ARPU up ~3% excluding insurance[1], driven by connection ARPU, handset demand, and December price increases
- Offset by reduction in insurance revenue – impact will not reoccur in FY26

Consumer Prepaid

ARPU grew, connections declined in competitive market

- Spark connection decline in H1 driven by price competition in low-spend environment, while Skinny continues to grow
- December plan refresh and price increases maintained ARPU – with further improved offers creating positive trading momentum

Enterprise & Government (E&G)

Connections stabilised in H2, competitive pressure on ARPU remains

- Connections stabilised in H2 25
- Net positive connections from customer bids in H2 25
- Rate of ARPU reduction slowed in H2 from H1, however competitive market conditions remain

	FY24	FY25	% change
Connections and ARPU – Consumer and SME			
Pay monthly connections	1,193k	1,199k	0.5%
Prepaid connections	1,173k	1,112k	(5.2%)
Pay monthly ARPU	$44.93	$44.68	(0.6%)
Prepaid ARPU	$15.99	$16.10	0.7%
Connections and ARPU – Enterprise and Government			
Connections	324k	318k	(1.9%)
ARPU	$30.44	$26.22	(13.9%)
Mobile Service Revenue			
Total [2]	$1,010m	$987m	(2.3%)
Consumer and SME	$869m	$861m	(0.9%)
Enterprise and Government	$120m	$100m	(16.7%)

(1) Compared to H2 24
(2) Total includes wholesale

Market growth improving and Spark growing in H2

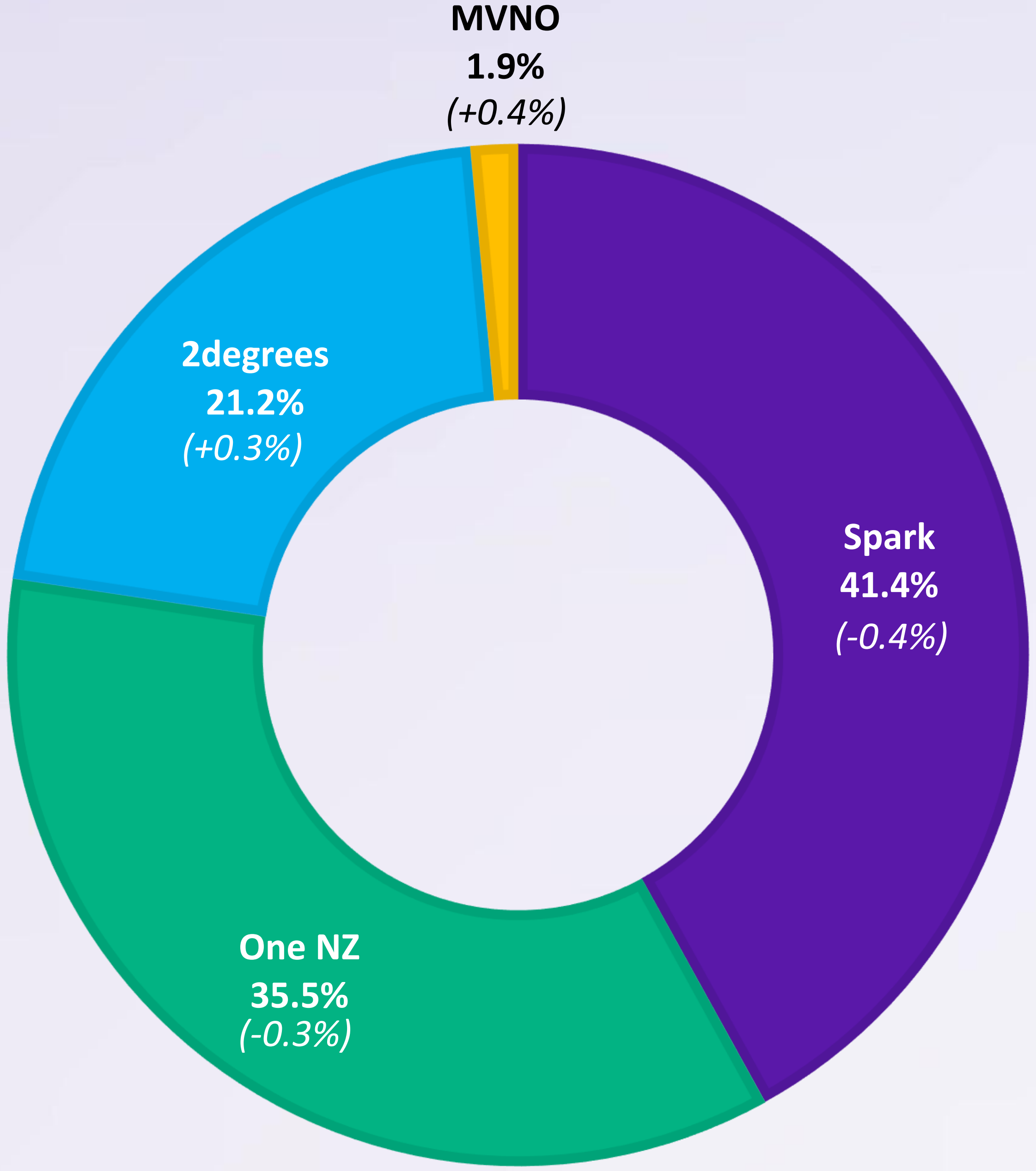
Spark remains the #1 provider by some distance, with positive momentum as market growth improves

Total mobile market performance [1]

- Total FY25 mobile market growth was 1.2%, lower than IDC estimated growth of 3% [2]
- Second half growth of 1.9% an improvement on a flat H1 [3]

Spark mobile and share performance

- Spark's total mobile service revenues grew 1.0% from H1 25 to H2 25 – resulting in a small market share decline of 0.4% over this time
- Positively, Spark's market share stabilised in the fourth quarter, in a growing market



[1] All comparisons are market share estimates sourced from IDC as at 30 June 2025 [2] Comparing FY24 to FY25 [3] Comparing H2 FY25 to H1 FY25

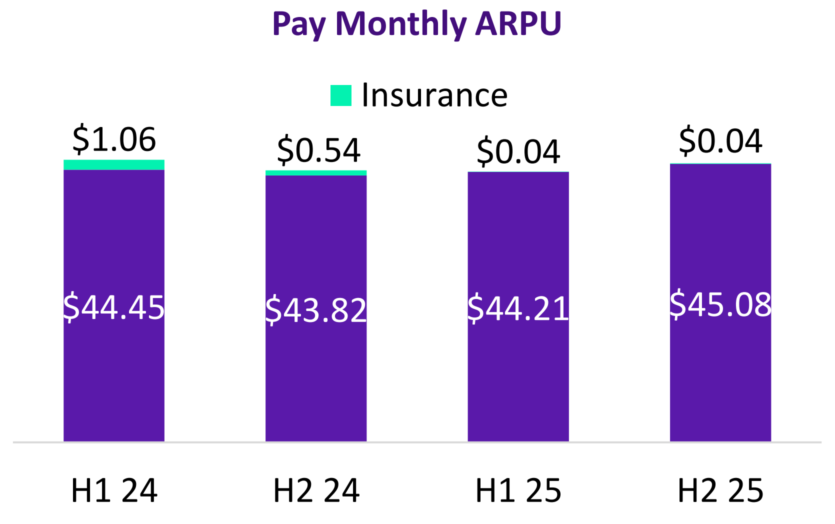
Driving mobile momentum into FY26

Initiatives implemented in FY25 are lifting performance into FY26 Q1

Consumer Pay Monthly

Focus: driving connection and ARPU growth with brand and product investment

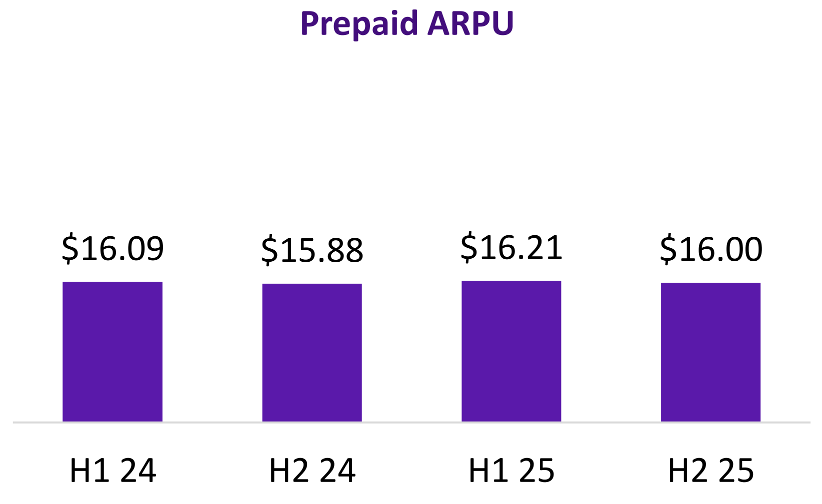
- Pay monthly big data plans – introduced end October, with acquisition up ~7% vs. prior comparable period
- Plan ARPU continues to grow – will be further supported by 1 August '25 \$2-\$5 price increases
- Pipeline of new products – Kids Plan launched, satellite-to-mobile in H2 26



Consumer Prepaid

Focus: maintain stable ARPU, while upweighting competitive responses

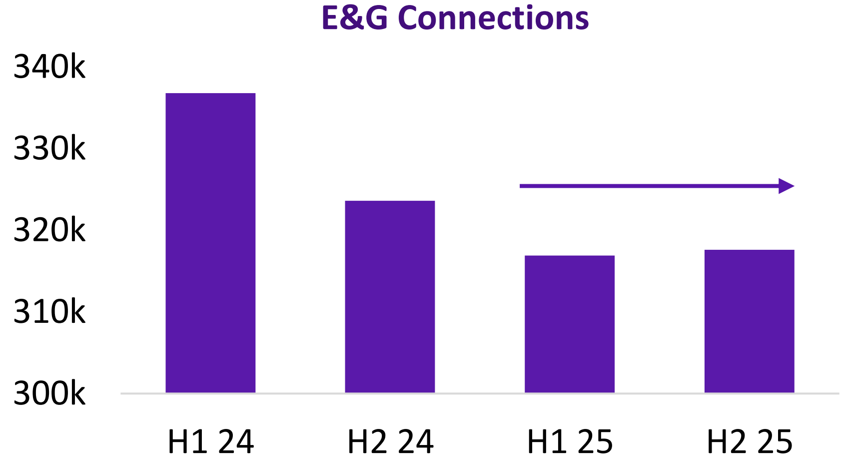
- Plan refresh completed in December '24 has maintained ARPU
- Connection decline stabilising in H2 25
- Improvement in net connections post the introduction of new market offers



Enterprise and Government

Focus: hold customer base, and compete to win on more than price to mitigate ARPU impact

- Connections rebased with change in Enterprise & Government workforces – decline stabilising in H2
- Retained >95% of top 50 customers
- Won ~7k new connections to be on-boarded in Q1 FY26 – Summerset, Deloitte, New Zealand Red Cross



Connectivity and IT performance summary

Broadband revenues stabilised, public cloud continued to grow, IT services remained challenging

Connectivity

- Broadband connections declined 3.8% in a low-spend environment – focused on increased bundling with mobile in FY26 to support volumes
- Broadband revenue stabilised to largely flat following a 2.3% decline at H1 – we remain focused on margin improvement as fibre company costs are passed through
- Managed data and networks revenue declined in line with long-term trend of customers migrating from legacy products to modern, lower ARPU alternatives
- Legacy voice revenues declined in line with long-term trend
- Collaboration revenues increased due to growth in cloud contact centres and meeting room upgrades
- IoT revenue grew as connections increased 16% to 2.38 million

IT

- Cloud revenues grew as public cloud uptake continued to increase
- IT services declined as challenging economic conditions dampened demand

	FY24	FY25	% change
Connectivity revenues			
Broadband	$613m	$608m	(0.8%)
Managed data and networks	$223m	$201m	(9.9%)
Voice	$180m	$150m	(16.7%)
Collaboration	$80m	$86m	7.5%
IoT	$46m	$48m	4.3%
IT revenues			
Cloud	$225m	$235m	4.4%
IT services	$156m	$144m	(7.7%)

Review of non-core assets completed

Targeted divestments completed or underway to simplify portfolio and further strengthen the balance sheet

	Asset	Outcome
Shareholdings	**Connexa**	• Sale of remaining stake (~17%) to global investment group CDPQ for $309 million net of transaction costs • Valued Connexa on a consistent basis with previous NZ mobile tower EBITDAI multiples • Proceeds used to reduce net debt and to be partially returned to shareholders through the H2 25 dividend
	Hutchison Telecommunications (Australia) Limited (HTAL)	• Sale of 10% stake in HTAL delivered NZ$47 million in proceeds in July 2025 • Offer of A$0.032 per share a 45% premium[1] to the upper end of the Independent Valuation range, and a 39% premium to the three-month VWAP[2] • Proceeds used to reduce net debt
	Southern Cross (SC)	• Maintain stake in near term as SC pursues self-funded expansion investments within the active subsea cable market
Enterprise and Government subsidiaries and products	**CCL and Qrious**	• Product portfolios and operating models simplified, and businesses integrated into Spark
	Digital Island	• Divested non-mobile business to support simplification
	Product portfolio	• Legacy security and network product simplification on track to complete Q1 26
Other subsidiaries	**MATTR**	• Process commenced to introduce new investors

(1) The Independent Valuation included the value of the sale of the TPG fibre assets to Vocus

(2) Volume weighted average price on the ASX prior to the announcement of the takeover offer

New technology delivery model introduced

Leveraging four strategic global partnerships to transform cost base and customer experiences

Technology layer	Strategic partner	
Network	NOKIA	Reduces network operating costs while accelerating AI and automation capabilities for better customer experiences
Cloud	Microsoft	Provides compelling hybrid cloud offering for customers, modernises Spark's hybrid cloud environment, accelerates AI uptake, and improves overall cloud economics
IT	Infosys	Reduces IT operating costs, while accelerating delivery of digital and AI- driven customer experiences
	Hewlett Packard Enterprise	Reduces IT operating costs, and ensures Spark's IT environments are continuously updated

Spark retains its critical assets and infrastructure and control over all components of competitive advantage – such as future network planning, critical incident oversight, technology architecture, and its product design and innovation roadmap

Spark a leader in AI and automation capability in New Zealand

Capability accelerating with agentic AI and global partnerships, supporting cost-out and customer experience

Existing AI capability

- Strategy and talent
- Responsible AI
- Data capability
- Predictive models and Gen AI
- High-value use cases

FY26 focus

- Enterprise-wide tech enablement
- Global partnerships

Existing AI capability	FY26 focus
People • **Improved productivity:** agentic AI tool, SparkGPT, an assistant for employees – providing rapid access to information and taking automated action to reduce manual work	Scaling SparkGPT to reduce cycle time of key processes, improving speed and efficiency
Customers • **Shorter wait times:** customer care teams enabled by call summarisation (saving ~1.5-2 mins per call) and AI assistants – answering ~20k team questions a month and reducing queries to back-office teams by 60% • **Faster to market:** predictive models automating and personalising customer comms, reducing campaign-to-market time from weeks to hours, and identifying sales priorities to best serve customers and grow revenue	Augmenting care teams with Agentic AI agents that solve queries and issues faster – immediate focus on service and billing
Network • **Reduced resolution times:** real-time network performance monitoring that detects anomalies and advanced fault management that automates incident analysis and reduces customer experience impacts	Scale network AI and automation – reducing manual fault handling by up to 30%

Cost base
Expand cost-out programme to deliver higher savings over multiple years

Expanded cost reduction programme on track

$85m reduction in H2 25 delivered through labour, other opex, and product costs reductions

FY25 labour and opex reduction

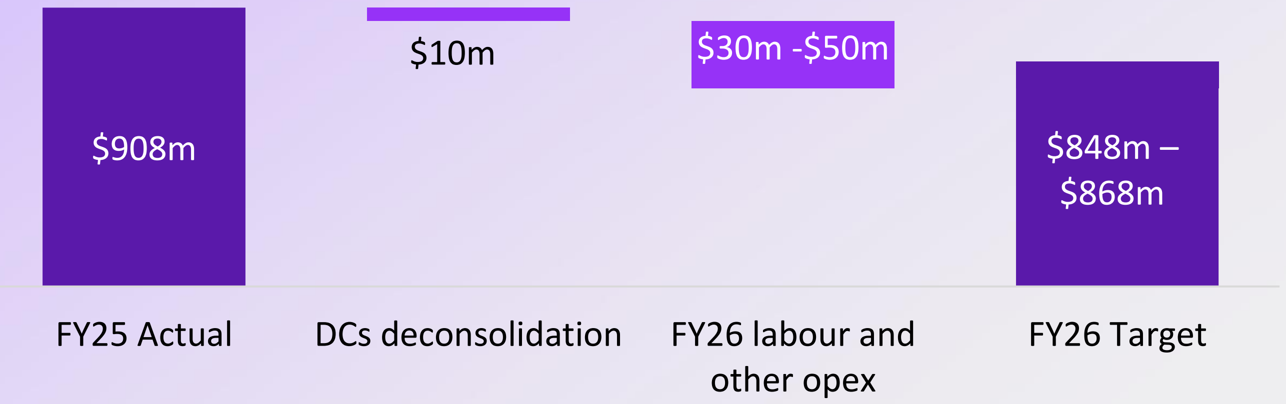
- At H1 25 Spark communicated an expanded cost-reduction target of $80m-$100m from H2 24 to H2 25
- This was delivered through:
  - $61 million reduction in labour costs (30 June ~1,300 FTE reduction YoY)
  - $4m reduction in other opex costs
  - $20m reduction in product costs – including network and IT costs

H2 25 vs H2 24 YoY cost reductions

FY26 labour and opex reduction

- FY26 targeting $30m-$50m net labour cost reduction, with other opex broadly flat to FY25 (plus additional $10m adjustment from deconsolidation of data centres from H2)
- Drivers of cost reductions:
  - Benefit of FY25 FTE reductions of ~1,300
  - Impact of labour inflation net of ongoing simplification
  - Partnership benefits offset by some increase in opex
  - Impact of inflationary cost pressures net of further opex savings
- On track to deliver annualised savings of $110m-$140m by end FY27[1]

Year-on-year labour costs and other opex reductions



(1) Subject to no material adverse change in operating outlook

Sustainability performance continues to mature

Spark remains committed to its FY30 SBTi[1] emissions reduction target and is taking meaningful steps to work towards it

Rising national grid emissions factor contributed to FY25 emissions increase

- Underlying performance improvements, with electricity consumption down 4.9%
- The winter energy crisis (caused by reduced hydro generation) drove the grid emissions factor up – contributing to an 11% YoY increase in scope 1 and 2 emissions, which are tracking 42% above our SBTi 2030 emissions reduction target pathway

Renewable partnership will decouple reported electricity emissions from national grid factor

- Ten-year renewable energy partnership with Genesis Energy commenced in Q3, when the Lauriston Solar Farm began generation
- Enables Spark to reduce reported electricity emissions by linking to new renewable generation – totalling a 3,954 tCO2e reduction in H2 (market-based)

Spark continues to support digital equity and safety

- Skinny Jump now supporting close to 34,000 households in need with subsidised broadband
- 5G now in 130 locations, covering over half of the population
- Close to 1.3 million SMS scam texts blocked on Spark's network since October 2024

(1) Science Based Target initiative

Data centre strategy update

Agreement reached to sell a 75% stake in data centre business

Spark continues to participate in high growth market through retained 25% stake

High quality data centre partner secured

- Pacific Equity Partners (PEP) has joined Spark as an investment partner for its data centre business – securing a funding pathway to build out the planned 130MW+ development pipeline

Realising value in the short and long term

- The partnership realises value for data centre assets in the short term, while enabling Spark to continue participating in the growing market through a 25% retained stake – creating further value for shareholders over the long term

Strong multiple compared to similar transactions

- Transaction values 'DC Co' at $705m[1], and represents an EV/EBITDA multiple of 30.8x[2] based on FY25 pro-forma EBITDA
- Spark expects to receive initial cash proceeds of ~$486m[3] at completion, with additional deferred cash proceeds of up to ~$98 million contingent on the achievement of performance-based objectives by the end of the CY27 (totaling ~$583m if the full earn-out is achieved)

Enables capital investment focus on core business

- Proceeds will be used to reduce group net debt
- Once the transaction is complete and DC Co's standalone funding facilities are in place, Spark's annual capital contribution to fund the development pipeline is expected to be modest

DC Co – transaction features

- 'DC Co' created to hold all data centre assets and operations (including resource consents), funded through a mix of equity and debt at completion
- DC Co will have its own Board, management team, and debt financing facilities (non-recourse to Spark)
- Spark expects to spend $50m-$70m capex in H1 26 prior to assumed transaction completion date[4]
- DC Co will be equity accounted from completion – estimated to be 1 January 2026[4]
- Earnings and cashflow generated by DC Co will be reinvested in the growth of the business

(1) Headline enterprise value comprising base enterprise value of $575 million and up to a further $130 million of earn-out enterprise value
(2) Assumes FY25 pro forma EBITDA of $22.9m for Spark data centre business within the transaction perimeter
(3) Final net proceeds subject to completion adjustments
(4) Timing is an estimate only. The transaction is subject to regulatory and customary consents including Overseas Investment Office approval, with a targeted completion date of 31 December 2025

DC Co has a leading New Zealand data centre platform

Market continues to grow as cloud and AI uptake increases demand for data storage and compute in New Zealand

Leading New Zealand data centre platform	Significant development pipeline	Attractive market dynamics	Track record of securing global cloud contracts	High quality customer relationships	Strong focus on sustainability
11 data centre facilities across NZ, with three scale AKL campuses	**~7 hectares** of development land owned or under agreement	**~32% p.a.** CAGR for NZ DC capacity demand over next five years [(1)]	**30%** of data centre revenue attributable to global cloud providers [(2)]	**~270** Customers across International, Govt, Enterprise, SMEs	**10-year** Genesis Energy partnership providing access to renewable electricity
23 MW built capacity with 88% contracted utilisation	**Resource Consents** secured for Takanini Pod 3 and North Shore developments	**Cloud and AI driving** demand, as NZ catches up to global trends	**15-year WALE**[(3)] for global cloud / content provider data centre contracts	**<1.5%** historic churn across data centre customer base	**100%** renewable electricity to be matched to DC sites from FY26[4]

(1) Spark estimate
(2) Recurring revenue as at H1 25
(3) Based on a total contract value weighted average of remaining lease years as at 31-Mar-25 including renewal rights
(4) The Genesis renewable energy partnership, and REC matching, is expected to cover all current sites with the exception of Takanini Pod 2 and the University of Waikato which are recent additions to the portfolio

Data centre business continued to grow in FY25

Development pipeline increased to 130MW+ and revenue and margin grew through scaling utilisation and new customer wins

Overall performance

- Continued revenue growth, with high levels of utilisation at 88%
- Revenue and gross margin growth supported by scaling utilisation, customer wins, and price increases

	FY24	FY25	% change
Revenue (1) (2)	$45m	$50m	11.1%
Gross margin(2)	$43m	$47m	9.3%

Development pipeline increased to 130MW+ (3)

Takanini Campus

- Pod 1 & 2 capacity close to 100% contracted/committed
- Resource consent received for Pod 3 (new 15MW data centre) – finalising design, with Stage 1 completion targeted for FY28
- 2.6 ha of land contracted in July 2025, enabling future expansion of Pods 4 and 5

Aotea Campus

- 1MW expansion progressing on time and budget
- New customer wins onboarded in H2 FY25, including four global cloud/content providers

North Shore Campus

- Resource consent for data centre approved in June 2024
- 4.0 ha site acquisition settled July 2025 for planned initial 40MW development

(1) Note like-for-like revenue changed from previous reporting as Data Centres previously reported under Cloud and those branded CCL were consolidated

(2) These results reflect the data centre business owned by Spark in FY25 and differ from DC Co when divested

(3) Based on masterplans for Takanini Pods 4 and 5 which suggest capacity could be increased by 12MW

Capital management reset

Capital management reset

Renewed capital management discipline

Maintaining financial strength

- Focused on a strong balance sheet, targeting metrics consistent with current credit rating

Investment and portfolio management

- Investments and M&A for growth must meet Spark's hurdle rates (see following slide)
- New definitions of capex introduced:
  - BAU capex – all capital investment in the core business (excluding spectrum)
  - Strategic capex – any capital investment outside the core business, for example data centres

Sustainable shareholder returns

- Changes to Dividend Policy support a sustainable dividend, paid out of Free Cash Flow (FCF), including:
  - New definition of FCF includes the impact of changes in working capital and capital expenditure used to operate the core business
  - FCF continues to exclude spectrum and strategic capex (definition outlined above)
  - Payout ratio updated to 70-100% of FCF, to provide flexibility if needed in the future

When applied to FY26, the dividend will be based on 100% of free cash flow [(1)]

[(1)] Subject to no material adverse change in operating outlook

Capital allocation for shareholder value creation

Updated Capital Management Framework introduced for FY26 onwards

Capital Management Framework

01

Maintaining financial strength

Focused on a strong balance sheet, targeting metrics consistent with current credit rating

02

Investment and portfolio management

BAU capex – used to to sustain and grow the core business organically (excluding spectrum)

Strategic capex – capital investment outside the core business that meet Spark's hurdle rates

Investment and M&A for growth must meet hurdle rates

Hurdle rates: NPV positive and ROIC greater than cost of capital

Long-run capex to revenue ratio of 10-12%

03

Sustainable shareholder returns

Dividend payout ratio of 70-100% of Free Cash Flow (FCF)

Dividend Reinvestment Plan utilised when appropriate, currently suspended

Growth in return on invested capital

Definitions

- **Free Cash Flow:** Reported EBITDAI, less adjusting items and non-cash gains or losses; BAU capex; interest costs; tax; lease costs; impact of changes in working capital, and excluding strategic and spectrum capex
- **Strategic Capex:** capex that is allocated to key strategic projects outside the core business that is expected to meet specific return thresholds (for example, data centres)

Financial summary

FY25 financial summary

	REPORTED[1] FY24	REPORTED[1] FY25	CHANGE	ADJUSTED[2] FY24	ADJUSTED[2] FY25	CHANGE
Operating revenues and other gains	3,820	3,725	(2%)	3,861	3,700	(4%)
Operating expenses	(2,679)	(2,672)	0%	(2,698)	(2,640)	2%
EBITDAI	1,141	1,053	(8%)	1,163	1,060	(9%)
Net financing cost	(114)	(118)	(4%)	(114)	(118)	(4%)
Depreciation and amortisation	(512)	(590)	(15%)	(527)	(604)	(15%)
Net investment income/(expense)	(8)	2	NM	(8)	2	NM
Net earnings before tax expense	507	347	(32%)	514	340	(34%)
Tax expense	(196)	(95)	52%	(172)	(113)	34%
Net earnings after tax expense	311	252	(19%)	342	227	(34%)
Net earnings from discontinuing operation	5	8	60%	-	-	-
Total net earnings after tax expense	316	260	(18%)	342	227	(34%)
Capital expenditure	(518)	(429)	17%	(518)	(429)	17%
Free cash flow	-	-	-	330	330	-
EBITDAI margin	29.9%	28.3%	(1.6%)pts	30.1%	28.6%	(1.5%)pts
Effective tax rate	38.7%	27.4%	(11.3%)pts	33.5%	33.2%	0.3%pts
Capex to operating revenues & other gains	(13.6%)	(11.5%)	2.1%pts	(13.4%)	(11.6%)	1.8%pts
Total earnings per share (cents)	17.3	14.0	(19%)	18.7	12.3	(34%)
Total dividend per share (cents)	27.5	25.0	(9%)	27.5	25.0	(9%)
Return on invested capital [3]	11.9%	8.7%	(3.2%)pts	-	-	-

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(2) Adjusted revenue and EBITDAI include the data centre business and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme. In addition, FY24 NPAT has been adjusted to include the data centre business results and exclude the $26 million impact of the government change to tax depreciation rules. See Appendix 1 for further details.

(3) ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity).

FY25 financial summary

FY25 adjusted EBITDAI of $1,060m within updated guidance

Reported result

- Reported revenue and EBITDAI exclude the data centre business, classified as a discontinuing operation; and include the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme
- Reported operating revenue and other gains of $3,725m was $95m lower than FY24
- Reported EBITDAI of $1,053m was $88m lower than FY24
- Net financing costs of $118m increased slightly from FY24 due to higher average net debt, despite the effective interest rate decreasing
- Tax expense of $95m reduced by $101m from FY24 due to:
  - a combination of lower earnings;
  - the FY25 $71m non-taxable gain on the Connexa transaction; and
  - the $26m additional tax in the prior year relating to the government's changes to tax depreciation on buildings
- This resulted in a lower FY25 effective tax rate of 27.4% vs 38.7% in FY24
- Reported NPAT of $260m was $56m lower than FY24

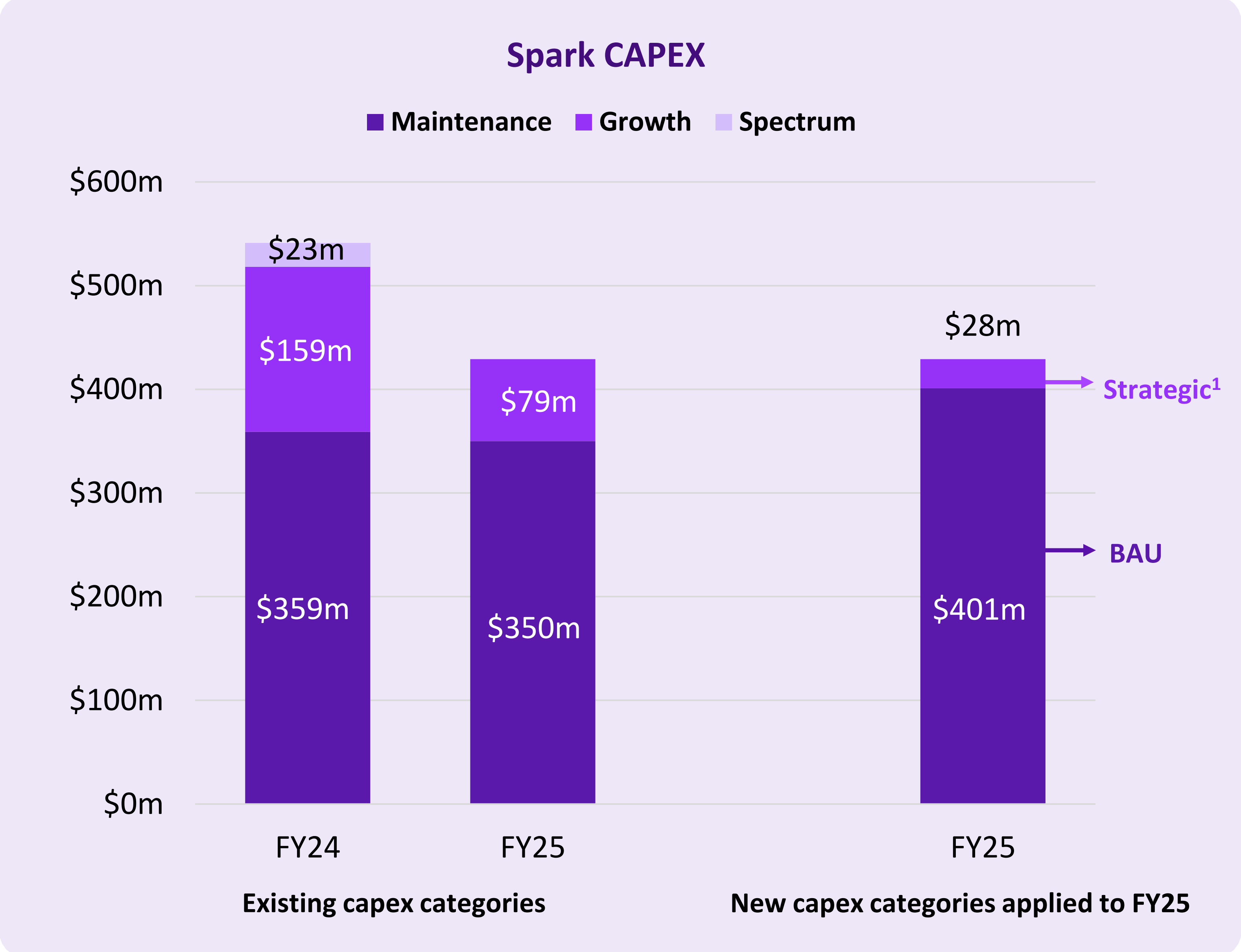
Adjusted result

- Adjusted revenue and EBITDAI include the data centre business, and exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme
- In addition, the adjusted FY24 NPAT excludes the $26 million impact of the Government's changes to tax depreciation on buildings
- Adjusted operating revenue and other gains of $3,700m was $161m lower than FY24
- Operating expenses of $2,640m were $58m lower than FY24, due to lower volumes of products sold and H2 cost out initiatives
- As a result, adjusted EBITDAI of $1,060m was $103m lower than FY24
- Adjusted EBITDAI includes other gains of $31m, down 70% from the $102m reported in FY24
- Adjusted NPAT of $227m is $115m lower than FY24

Capital expenditure

Disciplined capital spending in FY25

- $429m of total capex in FY25 is 17.2% lower than FY24 and represents 11.6% of adjusted revenue – within 10%-12% target range
- Capital expenditure in FY25 included:
  - Continued investment in mobile core and radio access network (RAN) delivering greater network capacity, coverage, and reliability
  - Investment in IT systems focused on automation and enterprise platform integration to drive efficiency
  - Fixed network and international cable capacity supporting greater resilience and capacity
- In line with revised Capital Management Framework, from FY26 capex will be reclassified into BAU and strategic, with the latter excluded from Free Cash Flow (see pages 22 and 23 for further details)



(1) When applied to FY25, the only capital spend considered strategic was data centre investment. All other capex is considered BAU.

Free cash flow

Impact of lower EBITDAI offset by lower cash maintenance capex

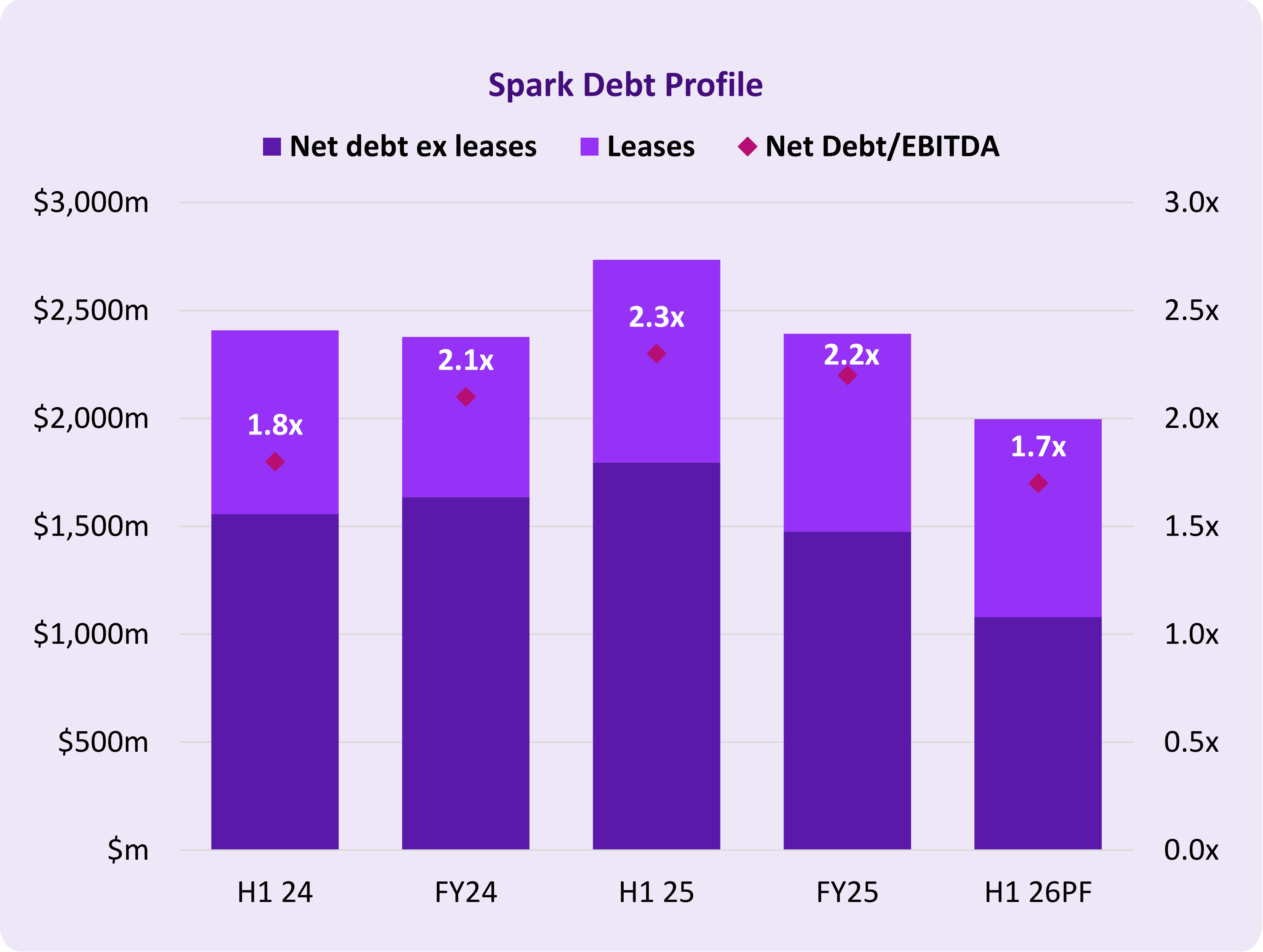
- FY25 FCF of $330m is steady on FY24, as maintenance capex was reduced to offset EBITDAI reduction
- As outlined on slide 22, in future years the calculation of FCF will be updated to include:
  - The impact of changes in working capital; and
  - The new definition of BAU capex
- The new definition of FCF excludes spectrum and strategic capex and will be used to determine the calculation of the dividend each year
- Strategic capex is defined as capex allocated to key strategic projects outside the core business expected to meet Spark's hurdle rate (see slides 22 and 23)

Adjusted free cash flow calculation	FY24 ($m)	FY25 ($m)	Change ($m)	Change (%)
Reported EBITDAI	1,141	1,053	(88)	(8%)
Add EBITDAI from discontinuing operations	22	25	3	14%
Less adjusting items and non-cash gains	(78)	(48)	30	38%
EBITDAI for free cash flow	1,085	1,030	(55)	(5%)
Less				
Cash paid on maintenance capital expenditure	(350)	(293)	57	16%
Cash paid on interest	(105)	(117)	(12)	(11%)
Cash paid on tax payments	(189)	(186)	3	2%
Cash paid on leases	(111)	(104)	7	6%
Total cash payments on items above	(755)	(700)	55	7%
Free cash flow (FY25 definition)	**330**	**330**	**0**	**0%**
Total change in working capital – increase in cash/(decrease in cash)	(20)	11	31	NM
Additional BAU capex	(191)	(81)	110	58%
Free cash flow (new definition)	**119**	**260**	**141**	**NM**

Debt and dividends

FY25 net debt reduced through Connexa proceeds, with further improvement to come from FY26 transactions

- At 30 June 2025 net debt at hedged rates was $1,475m:
  - Based on gross debt at hedged rates of $1,509m and cash of $34m
  - After including the impact of leases and the captive finance book (in line with S&P methodology) net debt was $2,127m
- Net Debt/EBITDA at 30 June 2025 was 2.2x compared to 2.3x at 31 December 2024 and 2.1x at 30 June 2024
  - Expect Net Debt/EBITDA ratio to reduce by ~0.5x post HTAL and once data centre transaction completes
- FY25 total divided of 25cps in line with updated guidance, including some of the proceeds from the Connexa sale which completed in H2 25
- Given the anticipated receipt of proceeds from the data centre transaction and subsequent reduction in net debt, the Dividend Reinvestment Plan has been suspended for the final FY25 dividend



SPK-30 Strategy

SPK-30 builds on our competitive advantages

Leaders in the market

No 1. market share[1]
in mobile and broadband

Most reliable mobile network
with the widest coverage experience[2]

Most trusted brand in our sector[3]

Satisfied, loyal customers

High customer loyalty in mobile base

Five year growth in customer satisfaction

2.6m+	**660k+**	**110k+**	**+40**	**1,100+**
Mobile connections	Broadband connections	SME customers	iNPS[4]	Enterprise and government customers

Significant and valuable asset base

99%	**2.3m+**	**2.2k+**	**330MHz**	**Digital Infra**
of NZers reached by 4G network	Connections to IoT network	Mobile sites[5]	Highest value spectrum holdings	data centre and subsea cable shareholdings

Strong return on investment

8.7% ROIC in FY25, outperforming most global peers[6]

1. All comparisons are market share estimates sourced from IDC as at 30 June 2025.
2. Opensignal Awards - "New Zealand: Mobile Network Experience Report, September 2024, based on independent analysis of mobile measurements recorded during the period June 1 – August 29, 2024© 2024 Opensignal Limited.
3. TRA brand reputation monitor April-June 2025.
4. Interaction net promoter score.
5. Includes Spark active equipment on 1,600 third party towers, 572 Rural Connectivity Group (RCG) towers and 90 small cells active at 30 June 2025.
6. ROIC is calculated as net operating profit (EBITDAI less depreciation and amortisation) after tax (at 28%) as a percentage of Invested Capital (total debt including leases plus equity). Peers are comparable telecommunications companies.

SPK-30 Strategy

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

Where we will invest for growth

Grow core connectivity

Mobile

Broadband

Business connectivity

Fixed networks, IoT, collaboration, voice

STRATEGIC CONTEXT

- Contributes 80% of Spark's gross margin
- Spark the clear market leader in connectivity
- Connectivity products often bundled by customers
- Customer demand for data continues to grow
- Leading 5G Standalone investment creates new commercialisation opportunities

OUR STRATEGIC CHOICE

Connectivity will be the #1 focus of future capital allocation

- Strengthen mobile market leadership
- Grow broadband bundling and wireless 5G
- Deliver advanced connectivity solutions

Simplify and optimise beyond the core

Cloud

Procurement

IT Services

Service management and data and AI consulting

STRATEGIC CONTEXT

- Contributes 20% of Spark's gross margin
- More fragmented competitive environment
- Leading market positions in cloud and IT
- Changing mix and demand impacting profitability

OUR STRATEGIC CHOICE

In adjacent segments we will:

- Optimise for changing markets
- Simplify and exit legacy
- Leverage AI, automation, and global partnerships for efficiency and better customer experiences

Better network

Reliable and trusted network

Grow our leadership in reliability and coverage by:

Investing where it matters for our customers: network upgrades and expansion based on our customers' real-world experiences using our network

Proactively resolving network issues: leverage our Nokia partnership to accelerate our use of AI, advanced analytics, and automation, to detect and resolve network issues proactively for our customers

Uplifting regional resilience: improve redundancy through investment in self-healing networks and satellite connectivity

New value from advanced technologies

Create new commercialisation opportunities:

New customer solutions: leverage leading 5G Standalone network investment to bring new capabilities to our business customers – such as network slicing and private networks

New commercial models: participate in the global shift to create new commercial models for 'Network as a service' that are API-based and globally standardised

Better customer experiences

There when it matters

Deliver a consistent, reliable network usage experience for our customers – moving from reactive to proactive assistance

Simple and easy to deal with

Upweight our focus on digital channel, automation, and AI investment to reduce friction and time to serve for our customers, and improve self-service capability and sales conversion

I am valued

Customers are recognised and rewarded through our products and services, communications, and experiences that differentiate us from the pack

Outlook and guidance

FY26 Guidance [1]

	FY25 Actual	FY26 Guidance (incl. data centres) [3]	FY26 Guidance (excl. data centres) [4]
Adjusted EBITDAI	$1,060m[2]	$1,020m - $1,080m	$1,010m - $1,070m
Total capex	$429m	*FY26 onwards – new definitions of capex listed below*	
BAU capex	-	$380m - $410m	$380m - $410m
Strategic capex (data centres)	-	$50m-$70m (committed capex to data centres) [6]	
Free cash flow (old definition)	$330m	*FY26 onwards – new definition of FCF listed below*	
Free cash flow (new definition) [5]	-	$290m - $330m	$290m - $330m
Dividend	25.0 cps	100% of FCF	100% of FCF

(1) Subject to no material adverse change in operating outlook

(2) Adjusted EBITDAI excludes Connexa gain on sale and transformation costs

(3) FY26 Guidance (incl data centres) is provided on the basis that the data centres business continues to be owned 100% through FY26

(4) FY26 Guidance (excluding data centres) assumes that the data centres transaction completes on 31 December 2025 and for the whole of H2 26 data centres is accounted for as an associate (i.e. earnings below the EBITDAI line). Any gain on sale from the data centres transaction is excluded from the adjusted EBITDAI

(5) New definition of free cash flow - Reported EBITDAI, less adjusting items and non-cash gains/losses; BAU capex; interest costs; tax; lease costs; impact of changes in working capital, and excluding strategic and spectrum capex

(6) Spark has committed to $50m-$70m of capex in H1 26 associated with the data centres business – this is planned as part of the data centres transaction when it completes, but will not be included in the free cash flow calculation

Appendix

FY25 reported and adjusted earnings reconciliation

- The data centre business has been classified in the Financial Statements as a discontinuing operation held for sale at 30 June 2025 in accordance with the requirements of NZ GAAP. As a result, the revenue and expense items for both FY25 and FY24 have been separated from continuing operations of Spark and disclosed separately in the profit and loss in the financial statements as net earnings after tax from discontinuing operations.

- To assist in comparability, and reporting in a manner consistent with market guidance, the discontinuing operations have been added back to the profit and loss in the adjusted earnings calculations. The attached table provides a reconciliation Reported to Adjusted earnings.

	FY24					FY25				
$m	**Reported per Financial Statements**	**Data centre business [1] added back**	**Results inc. data centres**	**PY one-off tax adjustment [2]**	**Adjusted (inc. DCs and PY adjustment)**	**Reported per Financial Statements**	**Data centre business[1] added back**	**Results inc. data centres**	**FY25 adjusting items [3]**	**Adjusted (inc. DCs and excl. Connexa gain & transform. costs)**
Operating revenues and other gains	3,820	41	3,861		3,861	3,725	46	3,771	(71)	3,700
Operating expenses	(2,679)	(19)	(2,698)		(2,698)	(2,672)	(21)	(2,693)	53	(2,640)
EBITDAI	**1,141**	**22**	**1,163**	**0**	**1,163**	**1,053**	**25**	**1,078**	**(18)**	**1,060**
Net finance income	(114)		(114)		(114)	(118)		(118)		(118)
Depreciation and amortisation	(512)	(15)	(527)		(527)	(590)	(14)	(604)		(604)
Net investment income	(8)		(8)		(8)	2		2		2
Net earnings before tax	507	7	514	0	514	347	11	358	(18)	340
Net tax expense	(196)	(2)	(198)	26	(172)	(95)	(3)	(98)	(15)	(113)
Net earnings from continuing operations	311	5	316	26	342	252	8	260	(33)	227
Net earnings from discontinuing operation	5	(5)	0		0	8	(8)	0		0
Net earnings	**316**	**0**	**316**	**26**	**342**	**260**	**0**	**260**	**(33)**	**227**

(1) Add back the data centre business from discontinuing operation to the profit and loss
(2) Adjustment for FY24 government change to tax depreciation rules on buildings

(3) Adjusted to exclude the Connexa transaction gain on sale ($71m) and transformation costs ($53m) associated with the cost out programme

FY25 debt key metrics

Net debt	FY24 ($m)	H1 25 ($m)	FY25 ($m)
Net debt at hedged rates	$1,636	$1,796	$1,475
Net debt at hedged rates including lease liabilities[1]	$2,438	$2,735	$2,392
Debt ratios			
Borrowing costs (annualised)	6.4%	5.6%	5.6%
Weighted average debt maturity (years)	3.7 years	3.1 years	3.1 years
Debt servicing[2]	2.1x	2.3x	2.2x
Gearing	60%	66%	61%
Interest cover	9x	7x[3]	8x

(1) Prior historical periods restated for the additional leaseback liability on customer leases
(2) Debt servicing is calculated as (Net debt at hedge rates including lease liabilities - captive finance adjustments)/(Adjusted EBITDAI - captive finance adjustments) which Spark estimates aligns to S&P's credit rating calculation

(3) H1 25 interest cover is calculated using the H1 25 earnings and interest costs