



INTERIM FINANCIAL STATEMENTS

FY2024

Interim financial statements

For the six months ended 31 December 2023

Interim financial statements	3
Notes to the interim financial statements	7
Independent auditor's review report	18

These interim financial statements do not include all the notes and information normally included in the annual financial statements. Accordingly, they should be read in conjunction with the annual financial statements for the year ended 30 June 2023.

Statement of profit or loss and other comprehensive income

SIX MONTHS ENDED 31 DECEMBER

		2023	RESTATED ¹ 2022
		UNAUDITED	UNAUDITED
	NOTES	\$M	\$M
Operating revenues and other gains ²		1,976	2,534
Operating expenses ²		(1,446)	(1,492)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	4	530	1,042
Finance income		14	16
Finance expense		(63)	(43)
Depreciation and amortisation		(251)	(248)
Net investment income		(3)	(1)
Net earnings before income tax	3	227	766
Tax (expense)/income ²		(70)	99
Net earnings for the period	4	157	865
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of long-term investments designated at fair value through other comprehensive income	5	(12)	(26)
<i>Items that may be reclassified to profit or loss:</i>			
Translation of foreign operations		(1)	(1)
Change in hedge reserves net of tax		(13)	5
Other comprehensive income for the period		(26)	(22)
Total comprehensive income for the period		131	843
Earnings per share			
Basic earnings per share (cents)		8.6	46.2
Diluted earnings per share (cents)		8.5	46.1
Weighted average ordinary shares (millions)		1,835	1,872
Weighted average ordinary shares and options (millions)		1,838	1,875

See accompanying notes to the interim financial statements.

1 Restated for the final tax impact of the net gain on sale of Connexa, see note 2 for further details.

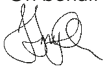
2 These comparative items were materially impacted by the Connexa transaction and the Spark Sport provision, see note 4 for further details.

Statement of financial position

		AS AT 31 DECEMBER 2023 UNAUDITED \$M	AS AT 30 JUNE 2023 AUDITED \$M
	NOTES		
Current assets			
Cash		99	100
Short-term receivables and prepayments		884	899
Short-term derivative assets		-	1
Inventories		107	79
Taxation recoverable		8	-
Total current assets		1,098	1,079
Non-current assets			
Long-term receivables and prepayments		521	432
Long-term derivative assets		12	27
Long-term investments	5	232	254
Deferred tax assets		58	55
Right-of-use assets		511	488
Leased customer equipment assets		72	77
Property, plant and equipment		1,319	1,264
Intangible assets		876	806
Total non-current assets		3,601	3,403
Total assets		4,699	4,482
Current liabilities			
Short-term payables, accruals and provisions		487	507
Taxation payable		-	25
Short-term derivative liabilities		4	4
Short-term lease liabilities		87	78
Debt due within one year	6	518	236
Total current liabilities		1,096	850
Non-current liabilities			
Long-term payables, accruals and provisions		76	82
Long-term derivative liabilities		75	94
Long-term lease liabilities		715	700
Long-term debt	6	1,069	816
Total non-current liabilities		1,935	1,692
Total liabilities		3,031	2,542
Equity			
Share capital		810	965
Reserves		(422)	(396)
Retained earnings		1,280	1,371
Total equity		1,668	1,940
Total liabilities and equity		4,699	4,482

See accompanying notes to the interim financial statements.

On behalf of the Board



Justine Smyth, CNZM

Chair

Authorised for issue on 28 February 2024



Jolie Hodson,
Chief Executive

Statement of changes in equity

SIX MONTHS ENDED 31 DECEMBER 2023 UNAUDITED	SHARE CAPITAL \$M	RETAINED EARNINGS \$M	HEDGE RESERVES \$M	SHARE- BASED COMPEN- SATION RESERVE \$M	VALUATION RE- SERVE \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	TOTAL \$M
Balance at 1 July 2023	965	1,371	11	2	(387)	(22)	1,940
Net earnings for the period	-	157	-	-	-	-	157
Other comprehensive income for the period	-	-	(13)	-	(12)	(1)	(26)
Total comprehensive income for the period	-	157	(13)	-	(12)	(1)	131
Contributions by, and distributions to, owners:							
Dividends	-	(249)	-	-	-	-	(249)
Supplementary dividends	-	(25)	-	-	-	-	(25)
Tax credit on supplementary dividends	-	25	-	-	-	-	25
Share buy-back	(159)	-	-	-	-	-	(159)
Issuance of shares under share schemes	4	-	-	1	-	-	5
Other transfers	-	1	-	(1)	-	-	-
Total transactions with owners for the period	(155)	(248)	-	-	-	-	(403)
Balance at 31 December 2023	810	1,280	(2)	2	(399)	(23)	1,668

SIX MONTHS ENDED 31 DECEMBER 2022 RESTATED ¹ UNAUDITED	SHARE CAPITAL \$M	RETAINED EARNINGS \$M	HEDGE RESERVES \$M	SHARE- BASED COMPEN- SATION RESERVE \$M	VALUATION RE- SERVE \$M	FOREIGN CURRENCY TRANSLATION RESERVE \$M	TOTAL \$M
Balance at 1 July 2022	1,105	722	8	5	(343)	(22)	1,475
Net earnings for the period	-	865	-	-	-	-	865
Other comprehensive income for the period	-	-	5	-	(26)	(1)	(22)
Total comprehensive income for the period	-	865	5	-	(26)	(1)	843
Contributions by, and distributions to, owners:							
Dividends	-	(234)	-	-	-	-	(234)
Supplementary dividends	-	(24)	-	-	-	-	(24)
Tax credit on supplementary dividends	-	24	-	-	-	-	24
Issuance of shares under share schemes	3	-	-	(1)	-	-	2
Other transfers	3	-	-	-	-	-	3
Total transactions with owners for the period	6	(234)	-	(1)	-	-	(229)
Balance at 31 December 2022	1,111	1,353	13	4	(369)	(23)	2,089

¹ Restated for the final tax impact of the net gain on sale of Connexa, see note 2 for further details.

Statement of cash flows

SIX MONTHS ENDED 31 DECEMBER

	NOTE	2023 UNAUDITED \$M	2022 UNAUDITED \$M
Cash flows from operating activities			
Receipts from customers		1,972	1,975
Receipts from interest		13	16
Payments to suppliers and employees		(1,519)	(1,460)
Payments for income tax		(101)	(120)
Payments for interest on debt		(31)	(23)
Payments for interest on leases		(23)	(15)
Payments for interest on leased customer equipment assets		(4)	(4)
Net cash flows from operating activities	7	307	369
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		14	1
Proceeds from sale of business		-	894
Receipts from finance leases		1	1
Payments for purchase of business, net of cash acquired		(2)	-
Receipts from loans receivable		10	-
Payments for, and advances to, long-term investments		(1)	(2)
Payments for purchase of property, plant and equipment, intangibles (excluding spectrum), and capacity		(347)	(246)
Payments for capitalised interest		(6)	(5)
Net cash flows from investing activities		(331)	643
Cash flows from financing activities			
Net proceeds from/(repayments of) debt		489	(517)
Payments for dividends		(249)	(234)
Payments for share buy-back		(159)	-
Payments for leases		(38)	(31)
Payments for leased customer equipment assets		(20)	(15)
Net cash flows from financing activities		23	(797)
Net cash flow		(1)	215
Opening cash position		100	71
Closing cash position		99	286

See accompanying notes to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 1 About this report

Reporting entity

These unaudited interim financial statements are for Spark New Zealand Limited (the Company) and its subsidiaries (together Spark or 'the Group') for the six months ended 31 December 2023.

The Company is incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Basis of preparation

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

The accounting policies adopted are consistent with those followed in the preparation of Spark's annual financial statements for the year ended 30 June 2023. The preparation of the interim financial statements requires management to make estimates and assumptions. Spark has been consistent in applying the estimates and assumptions adopted in the annual financial statements for the year ended 30 June 2023. Certain comparative information has been updated to conform with the current year's presentation.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The only significant variances between instruments held at amortised cost and their fair value relate to long-term debt. There were no changes in valuation techniques during the period. Spark's derivatives are held at fair value, calculated using discounted cash flow models and observable market rates of interest and foreign exchange. This represents a Level 2 measurement under the fair value measurement hierarchy, being inputs other than quoted prices included within Level 1 that are observable for the asset or liability. The fair value of receivables and prepayments are approximately equal to their carrying value.

As at 31 December 2023, capital expenditure amounting to \$461 million (31 December 2022: \$466 million) had been committed under contractual arrangements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 2 Significant transactions and events for the current period

The following significant transactions and events affected the financial performance and financial position of Spark for the six month period to 31 December 2023 or subsequent to balance date:

Share buy-back

- On 6 April 2023, Spark commenced an on-market share buy-back. The shares are being acquired on the NZX and ASX, at prices that are in line with the prevailing market price from time to time during the period of the buy-back. Spark reserves the right to vary, suspend without notice, or terminate the buy-back programme at any time. As at 31 December 2023, 60 million shares with a value of \$305 million had been repurchased and cancelled under the scheme, which is 87% of the way through the previously committed programme. In the six months ended 31 December 2023, 32 million shares with a value of \$159 million were repurchased.

Debt programme (see note 6)

- On 27 October 2023, Spark extended the term of its \$200 million committed revolving sustainability-linked loan facility with Westpac New Zealand Limited by three years, to mature on 30 November 2026.

Capital expenditure

- Spark's additions to property, plant and equipment, intangible assets (excluding spectrum) and capacity right-of-use assets were \$286 million, details of which are available in a separate detailed financials file on the investor section of Spark's website at: investors.sparknz.co.nz/investor-centre.

Dividends

- Dividends paid during the six month period ended 31 December 2023 in relation to the H2 FY23 second-half ordinary dividend of 13.5 cents per share totalled \$249 million.

Comparative tax income restatement - Final tax impact of the net gain on sale of Connexa

- During H1 FY23 Spark sold its subsidiary Connexa Limited (Connexa) and recognised a net gain of \$584 million at 31 December 2022. For H1 FY23, a \$126 million reduction to tax expense was recognised due to the difference between the right-of-use assets and lease liabilities recognised at the date of the transaction. At 30 June 2023, when the final tax calculation was performed, it was also identified that a tax adjustment was required for the impact of the disposal of assets of \$94 million and unearned revenue of \$5 million. At a tax rate of 28% this resulted in a total increase to tax income of \$28 million. The comparative results at 31 December 2022 have been restated for this, which has increased tax income from \$71 million to \$99 million. The corresponding entry was primarily to taxation payable as at 31 December 2022. There is no impact on the 30 June 2023 reported result.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information

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

Comparative segment results

Spark has reclassified the comparative segment results to:

- Redistribute certain revenues between two new categories IT products (previously cloud, collaboration, managed data and networks) and IT services (previously service management and security)
- Move Qrious, Internet of Things, and MATTR from other products into a new high-tech category
- Split data centres out from cloud, and split co-location out from other products to create a combined data centres category.

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

SIX MONTHS ENDED 31 DECEMBER

UNAUDITED	2023			2022		
	OPERATING REVENUES	PRODUCT COSTS	PRODUCT MARGIN	OPERATING REVENUES	PRODUCT COSTS	PRODUCT MARGIN
	\$M	\$M	\$M	\$M	\$M	\$M
Mobile	749	(253)	496	732	(255)	477
Procurement and partners	339	(315)	24	319	(292)	27
Broadband	309	(161)	148	313	(164)	149
IT products	261	(122)	139	254	(118)	136
Voice	94	(43)	51	122	(51)	71
IT services	84	(14)	70	91	(14)	77
High-tech (excl. health ¹)	35	(13)	22	31	(8)	23
Data centres	18	(1)	17	13	(1)	12
Other products ²	68	(22)	46	71	(46)	25
Segment results	1,957	(944)	1,013	1,946	(949)	997

1 Health results are included across a range of product categories above.

2 Other products includes mobile infrastructure, exchange building sharing arrangements and Spark Sport (in H1 FY23).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 3 Segment information (continued)

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

SIX MONTHS ENDED 31 DECEMBER	2023	2022
UNAUDITED	\$M	\$M
Segment product margin	1,013	997
Other gains		
Net gain on sale of Connexa	-	584
Gain on sale and acquisition of property, plant and equipment and intangibles	17	-
Gain on lease modifications and terminations	2	4
Labour	(279)	(269)
Other operating expenses		
Network support costs	(40)	(45)
Computer costs	(52)	(57)
Accommodation costs	(48)	(40)
Advertising, promotions and communication	(33)	(33)
Bad debts	(7)	(4)
Spark Sport provision	-	(52)
Other	(43)	(43)
Earnings before finance income and expense, income tax, depreciation, amortisation and net investment income (EBITDAI)	530	1,042
Finance income		
Finance lease interest income	4	4
Other interest income	10	12
Finance expense		
Finance expense on long-term debt	(33)	(22)
Other interest and finance expenses	(8)	(7)
Lease interest expense	(24)	(15)
Leased customer equipment interest expense	(4)	(4)
Capitalised interest	6	5
Depreciation and amortisation expense		
Depreciation - property, plant and equipment	(112)	(114)
Depreciation - right-of-use assets	(42)	(36)
Depreciation - leased customer equipment assets	(17)	(19)
Amortisation - intangible assets	(80)	(79)
Net investment income		
Share of associates' and joint ventures' net losses	(8)	(3)
Interest income on loans receivable from associates and joint ventures	6	2
Net loss on remeasurement of equity accounted investments	(1)	-
Net earnings before income tax	227	766

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures

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

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

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

SIX MONTHS ENDED 31 DECEMBER	2023	RESTATED 2022
UNAUDITED	\$M	\$M
Net earnings for the period reported under NZ IFRS	157	865
Less: finance income	(14)	(16)
Add back: finance expense	63	43
Add back: depreciation and amortisation	251	248
Less: net investment income	3	1
Add back: tax expense/(income)	70	(99)
EBITDAI	530	1,042

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 4 Non-GAAP measures (continued)

Adjusted EBITDAI and adjusted net earnings

Spark's policy is to present 'adjusted EBITDAI' and 'adjusted net earnings' when a financial year includes significant items (such as gains, expenses and impairments) individually greater than \$25 million. In the six months ended 31 December 2023 there were no adjusting items. In the six months ended 31 December 2022, the net gain on sale of Connexa of \$584 million and the one off provision of \$52 million for Spark Sport were deemed significant items to adjust.

SIX MONTHS ENDED 31 DECEMBER	2023	2022
UNAUDITED	\$M	\$M
EBITDAI	530	1,042
Less: net gain on sale of Connexa	-	(584)
Add: Spark Sport provision	-	52
Adjusted EBITDAI	530	510

SIX MONTHS ENDED 31 DECEMBER	2023	RESTATED 2022
UNAUDITED	\$M	\$M
Net earnings for the period reported under NZ IFRS	157	865
Less: net gain on sale of Connexa	-	(584)
Add: Spark Sport provision	-	52
Less: tax effect of net gain on sale of Connexa and Spark Sport provision	-	(168)
Adjusted net earnings	157	165

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 5 Long-term investments

		AS AT 31 DECEMBER 2023 UNAUDITED \$M	AS AT 30 JUNE 2023 AUDITED \$M
	Measurement basis		
Shares in Hutchison	Fair value through other comprehensive income	49	61
Investment in associates and joint ventures	Equity method	177	187
Other long-term investments	Cost	6	6
		232	254

Spark holds a 10% interest in Hutchison Telecommunications Australia Limited (Hutchison) which is quoted on the ASX and its fair value is measured using the observable bid share price as quoted on the ASX, classified as being within Level 1 of the fair value hierarchy. As at 31 December 2023 the quoted price of Hutchison's shares on the ASX was AU\$0.034 (30 June 2023: AU\$0.042). The decrease in fair value of \$12 million is recognised in other comprehensive income (31 December 2022: \$26 million decrease).

Included within investment in associates and joint ventures is \$78 million for Spark's investment in the Connexa group.

Investment in associates and joint ventures

Spark's investment in associates and joint ventures at 31 December 2023 consists of the following:

NAME	TYPE	COUNTRY	OWNERSHIP	PRINCIPAL ACTIVITY
Flok Limited	Associate	New Zealand	38%	Hardware and software development
FrodoCo Holdings Limited	Associate	New Zealand	17%	A holding company for Connexa
Hourua Limited	Joint Venture	New Zealand	50%	Delivering the Public Safety Network
Pacific Carriage Holdings Limited, Inc.	Associate	United States	41%	A holding company
Rural Connectivity Group Limited	Joint Venture	New Zealand	33%	Rural broadband
Southern Cross Cables Holdings Limited	Associate	Bermuda	41%	A holding company
TNAS Limited	Joint Venture	New Zealand	50%	Telecommunications development

On 19 October 2023, Spark increased its holding in its investment in associate, Adroit Holdings Limited, an environmental IoT solutions company, from 47% to 100% making it a wholly owned subsidiary.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt

				AS AT 31 DECEMBER 2023 UNAUDITED \$M	AS AT 30 JUNE 2023 AUDITED \$M	
FACE VALUE	FACILITY	COUPON RATE	MATURITY			
Short-term debt						
Short-term borrowings		Variable	< 1 month	30		
Commercial paper		Variable	< 4 months	247	90	
				277	90	
Supplier financing arrangements ¹						
Amounts due within one year		Variable	< 31/10/2027	17	9	
Amounts due in more than a year		Variable	< 31/10/2027	9	-	
				26	9	
Bank funding						
Commonwealth Bank of Australia ²		100 million NZD	Variable	30/11/2024	100	100
MUFG Bank, Ltd. ²		125 million NZD	Variable	30/11/2025	125	-
Westpac New Zealand Limited ²		200 million NZD	Variable	30/11/2026	200	15
				425	115	
Domestic notes						
125 million NZD		3.37%	07/03/2024	124	122	
125 million NZD		3.94%	07/09/2026	119	116	
100 million NZD ³		4.37%	29/09/2028	100	100	
				343	338	
Foreign currency Medium Term Notes						
Australian Medium Term Notes - 100 million AUD		1.90%	05/06/2026	99	97	
Australian Medium Term Notes - 150 million AUD		4.00%	20/10/2027	156	154	
Australian Medium Term Notes - 125 million AUD		2.60%	18/03/2030	115	112	
Norwegian Medium Term Notes - 1 billion NOK ⁴		3.07%	19/03/2029	146	137	
				516	500	
				1,587	1,052	
Debt due within one year				518	236	
Long-term debt				1,069	816	

1 With respect to arrangements with outstanding liabilities at 31 December 2023, including those entered into in prior years, financing providers have paid suppliers a total of \$59 million and Spark has made payments against these arrangements of \$33 million, resulting in a closing liability of \$26 million as at 31 December 2023 (30 June 2023: financiers have paid suppliers \$30 million, payments of \$21 million have been made by Spark, resulting in a closing liability of \$9 million). Amounts paid under these arrangements are presented in the statement of cash flows within financing activities.

2 These facilities are Sustainability-Linked Loans. Spark will receive lower interest rates if it achieves sustainability targets or pay higher rates on the loans if it falls short of these targets.

3 This bond is a Sustainability-Linked Bond. The bond includes an interest rate step up if Spark fails to meet its sustainability target as at 30 June 2026.

4 Norwegian krone.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 6 Debt (continued)

There have been no changes in Spark's short-term financing programmes or stand-by facilities since 30 June 2023. Changes in long-term financing are disclosed in note 2 of these interim financial statements.

The fair value of long-term debt, including long-term debt due within one year, based on market observable prices, was \$1,327 million compared to a carrying value of \$1,310 million as at 31 December 2023 (30 June 2023: fair value of \$973 million compared to a carrying value of \$962 million).

	AS AT 31 DECEMBER 2023 UNAUDITED \$M	AS AT 30 JUNE 2023 AUDITED \$M
Total debt	1,587	1,052
Less: short-term debt	(277)	(90)
Total long-term debt (including long-term debt due within one year)	1,310	962

Net debt

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

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

	AS AT 31 DECEMBER 2023 UNAUDITED \$M	AS AT 30 JUNE 2023 AUDITED \$M
Cash	(99)	(100)
Short-term debt at face value	280	90
Long-term debt at face value	1,361	1,035
Net debt at face value	1,542	1,025
To retranslate debt balances at swap rates where hedged by currency swaps	15	14
Net debt at hedged rates¹	1,557	1,039
<i>Non-cash adjustments</i>		
Impact of fair value hedge adjustments ²	10	11
Unamortised discount	(3)	(1)
Net debt at carrying value	1,564	1,049

1 Net debt at hedged rates is the value of hedged cash flows due to arise on maturity and includes an adjustment to state the principal of foreign currency medium term notes at the hedged currency rate.

2 Fair value hedge adjustments arise on domestic notes in fair value hedges and foreign currency medium term notes in dual fair value and cash flow hedges. These have no impact on the cash flows to arise on maturity.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

SIX MONTHS ENDED 31 DECEMBER	2023	RESTATED 2022
UNAUDITED	\$M	\$M
Net earnings for the period	157	865
Adjustments to reconcile net earnings to net cash flows from operating activities		
Depreciation and amortisation	251	248
Bad and doubtful accounts	8	5
Deferred income tax ¹	2	(173)
Share of associates' and joint ventures' net losses	8	3
Interest income on loans receivable from associates and joint ventures	(6)	(2)
Net loss on remeasurement of equity accounted investments	1	-
Gain on sale and acquisition of property, plant and equipment and intangibles	(17)	-
Gain on lease modifications and terminations	(2)	(4)
Net gain on sale of Connexa	-	(584)
Other	4	(2)
Spark Sport provision	-	52
Changes in assets and liabilities net of effects of non-cash and investing and financing activities		
Movement in receivables and related items	(50)	(4)
Movement in inventories	(26)	(1)
Movement in current taxation	(33)	(46)
Movement in payables and related items	10	12
Net cash flows from operating activities	307	369

1 The comparative primarily relates to the net gain on sale of Connexa.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 8 Dividends

On 27 February 2024, the Board approved the payment of a first-half ordinary dividend of 13.5 cents per share or approximately \$245 million. The dividend will be 100% imputed. In addition, supplementary dividends totalling approximately \$25 million will be payable to shareholders who are not resident in New Zealand. In accordance with the Income Tax Act 2007, Spark will receive a tax credit from Inland Revenue equivalent to the amount of supplementary dividends paid.

	H1 FY24 ORDINARY DIVIDENDS
Dividends declared	
Ordinary shares	13.5 cents
American Depositary Shares ¹	42.59 US cents
Imputation	
Percentage imputed	100%
Imputation credits per share	5.2500 cents
Supplementary dividend per share ²	2.3824 cents
'Ex' dividend dates	
New Zealand Stock Exchange	21/03/24
Australian Securities Exchange	21/03/24
American Depositary Shares	21/03/24
Record dates	
New Zealand Stock Exchange	22/03/24
Australian Securities Exchange	22/03/24
American Depositary Shares	22/03/24
Payment dates	
New Zealand and Australia	5/04/24
American Depositary Shares	15/04/24

1 Spark's American Depositary Shares, each representing five ordinary Spark shares and evidenced by American Depositary Receipts (ADRs), are traded over-the-counter in the United States. This is a Level 1 ADR programme that is sponsored by Bank of New York Mellon. For H1 FY24, these are based on the exchange rate at 23 February 2024 of NZ\$1 to US\$0.6195 and a ratio of five ordinary shares per one American Depositary Share. The actual exchange rate used for conversion is determined in the week prior to payment when the Bank of New York performs the physical currency conversion.

2 Supplementary dividends are paid to non-resident shareholders.



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

Conclusion

We have reviewed the condensed consolidated interim financial statements ('interim financial statements') of Spark New Zealand Limited ('the Company') and its subsidiaries ('the Group') on pages 3 to 17 which comprise the statement of financial position as at 31 December 2023, and, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

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

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for Spark New Zealand Limited in relation to the regulatory audit, other assurance related services (such as trustee reporting), compliance services and non-assurance services provided to the Corporate Taxpayer Group. These services have not impaired our independence as auditor of the Group. In addition to this, the Chief Executive has both a sister and brother-in-law that are partners at Deloitte. These Deloitte partners are not involved in the provision of any services to the Company and its subsidiaries and this matter has not impacted our independence. Also, partners and employees of our firm deal with Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in the Group.

Directors' responsibilities for the interim financial statements

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

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

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

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

Restriction on use

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



**Jason Stachurski, Partner
for Deloitte Limited**

Auckland, New Zealand

28 February 2024

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