SPARK FY24-26 STRATEGY

Empowering the people and businesses creating Aotearoa's tomorrow.

5 April 2023

Spark nz

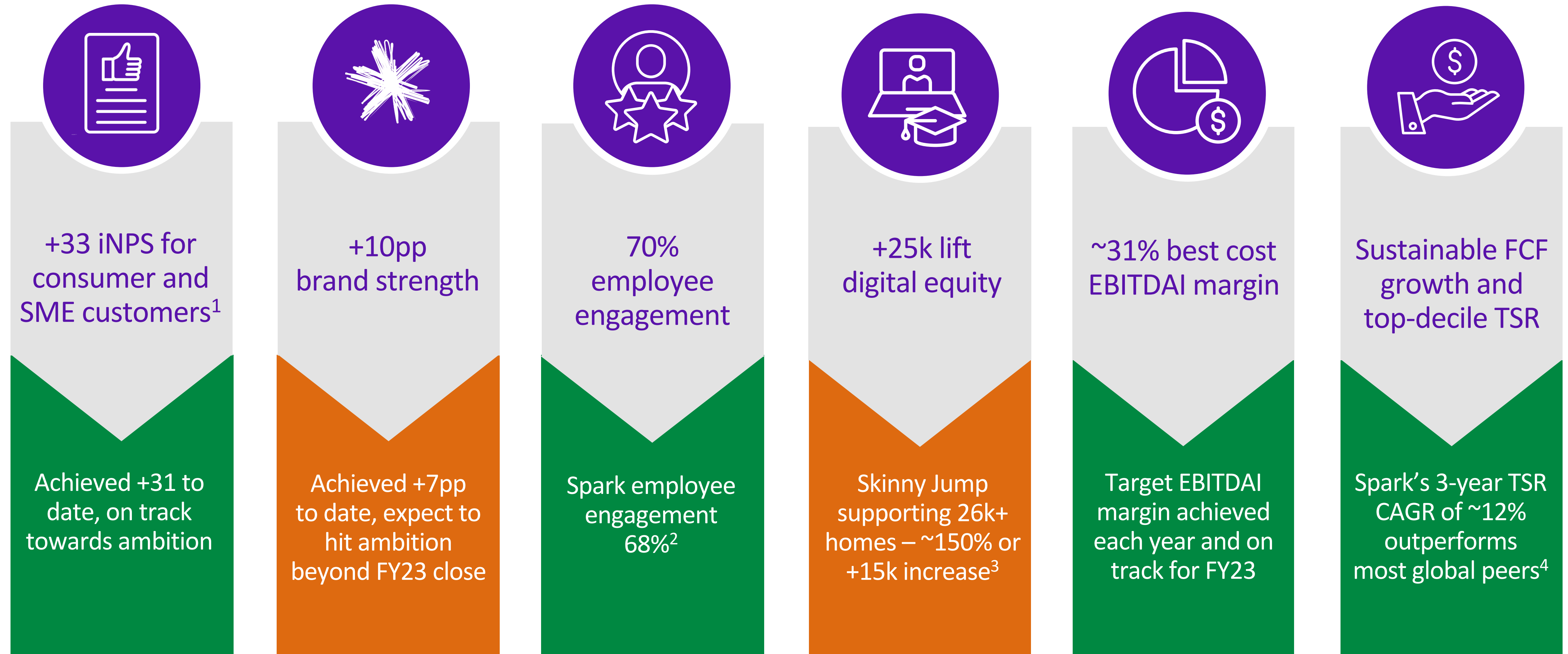NAU MAI | HAERE MAI
WELCOME

SPARK FY24-26 STRATEGY

Strategy Overview

Spark CEO Jolie Hodson, 5 April 2023

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We are focused on delivery as we close out the FY21-23 strategy

With one quarter to go, we are making strong progress towards our goals

+33 iNPS for consumer and SME customers[1]

Achieved +31 to date, on track towards ambition

+10pp brand strength

Achieved +7pp to date, expect to hit ambition beyond FY23 close

70% employee engagement

Spark employee engagement 68%[2]

+25k lift digital equity

Skinny Jump supporting 26k+ homes – ~150% or +15k increase[3]

~31% best cost EBITDAI margin

Target EBITDAI margin achieved each year and on track for FY23

Sustainable FCF growth and top-decile TSR

Spark's 3-year TSR CAGR of ~12% outperforms most global peers[4]

■ On track for FY23 delivery   ■ Delivery expected post FY23 close   ■ Off track

1. NPS metric was re-baselined in FY21 due to a change in methodology 2. Based on March 2023 survey 3. Jump base at 30 June 2020 ~10k. 4. See page 6.

We have built competitive advantage through a capability-focused strategy

Delivering in-year growth while laying strong foundations for future success and growing customer engagement by +9
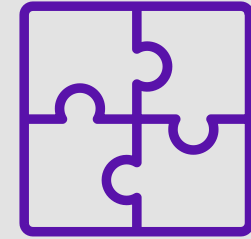
Simple, intuitive customer experiences

- ~350 legacy plans removed and 420,000 customers migrated
- 1.2 million SparkApp users
- 50% increase in digital journeys
- 20% reduction in call volumes
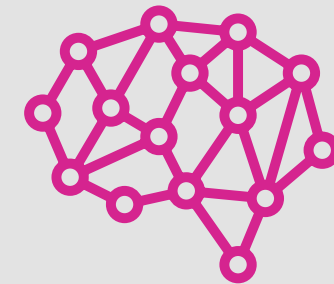
Deep customer insights

- From 20,000 NZ households in our models to 1.4 million today
- 70% marketing campaigns automated – up from 10%
- ~17% YoY increase in conversion every year
- ~17% improvement in marketing efficiency over the period

Smart, automated network

- 5G in 66 locations
- 95% of voice traffic now migrated off the PSTN
- OTN 2.0 built
- 416 RCG[1] sites now live
- Data centre expansion on track
- Realised value of passive mobile infrastructure assets

Growth mindsets

- 68% employee engagement score
- 40:40:20 gender diversity target achieved at Board, LS, wider leadership group
- Gender pay gap down from 28% to 22%
- Mahi Tahi wellbeing strategy launched

Note: Data points based on performance to end Feb 2023 except for employee engagement which is based on latest survey during March 2023. [1] Rural Connectivity Group

These capabilities have supported our marketplace success

Driving growth in both established and future markets
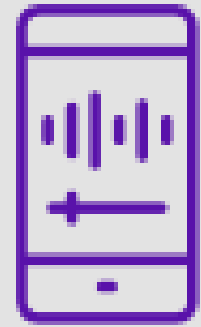
Mobile

- #1 market share for connections and service revenue[1]

- ~5.5% Spark mobile service revenue CAGR[2]

- Roaming revenues back to ~75% of pre-Covid levels

Broadband

- #1 market share for connections and revenue[1]

- Held base at ~700,000

- WBB now ~29% of base, on track for 30% by FY23

Cloud

- Leading cloud provider[3]

- End-to-end service offering across Spark Business Group

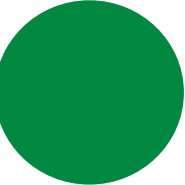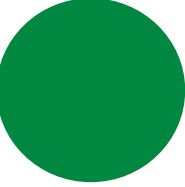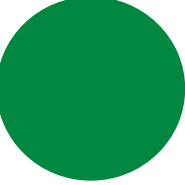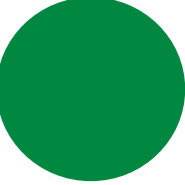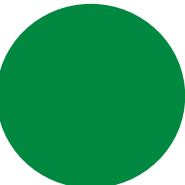- Shifting consumption to cloud-based services e.g. collaboration

Future markets

- Spark IoT connections from ~250k to 1.2m and revenue CAGR[2] of ~21.5%

- Spark Health revenue CAGR[3] of ~17%

- Decision made to exit Spark Sport

1. Market share data based on IDC at Q4 2022   2. Spark internal CAGR based on 2.5 years performance FY21-H1 FY23   3. Spark's estimate based on independent market share data

With three months to go we are on track to achieve our financial aspirations

Delivering targeted revenue growth and cost efficiencies

	FY23 aspiration Revenue[1]	FY23 aspiration Cost efficiencies[1]	Status
Simple intuitive customer experiences		~$40m-$50m	🟢
Deep customer insights	~$30m-$40m		🟢
Smart automated network		~$55m-$65m	🟢
Grow established markets[2]	~$140m-$160m		🟢
Accelerate future markets	~$80m-$90m		🟢

1. Aspiration represents FY23 in year revenues and cost efficiencies 2. Excludes procurement and partners

Focused execution has resulted in strong returns for shareholders

Total shareholder returns of ~12% over the last 3 years, outperforming most international peers

3-year TSR CAGR[1]

	14.7%	11.7%	11.6%	11.2%	7.9%	7.0%	5.8%	4.8%	1.7%	0.7%	(0.1%)	(0.6%)	(6.4%)
	KT Corporation	Spark	Deutsche Telekom	Telecom Malaysia	BCE	Swisscom	Vodafone Group	Telstra	BT Group	Verizon	AT&T	Orange	SingTel
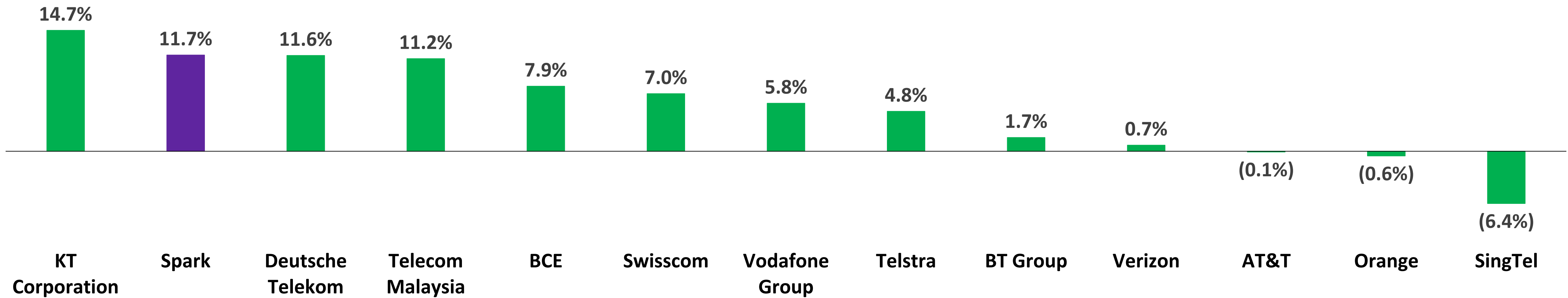
[1]TSR calculated as share price and dividend per share (reinvested at the ex-dividend date). Three-year TSR over Spark's FY20-FY22 period (1 July 2019 to 30 June 2022). Peer group is not exhaustive but is a selected group of primarily integrated telco operators that are deemed the closest peers to Spark in terms of market exposure

These strong foundations provide a platform for growth

Spark is well positioned to capitalise on this momentum and take advantage of supportive tailwinds

Competitively positioned – simpler, data-driven, high-performing culture

Continued **momentum in largest market of mobile** with high demand for data

New opportunities to solve business problems as technologies mature and converge

Ability to **invest for growth** through TowerCo proceeds

Strong track record of **disciplined execution and delivery**

Looking ahead, our country is changing – and we need to change with it

Population growth provides tailwinds, while changing demographics bring longer term pressures and opportunities

In the next 3 years:

We expect immigration to return[1]	supporting mobile and broadband connection growth

In the next 10-15 years Aotearoa will become[2]:

Bigger	by 2030 there could be 6 million of us
Older	with more people 65+ than 0-14
More diverse	by 2038 Māori will make up ~18% of the population, Pasifika ~10%, and Asian 21%
With a smaller available workforce	large numbers will be exiting the workforce, with fewer entering

1. Treasury estimates net migration of ~76,000 over the next three years (2022 Half Year Economic and Fiscal Update) 2. The new New Zealand, Professor Paul Spoonley

We see five key trends shaping our operating environment

In this environment adaptability is key – leveraging positive tailwinds for growth, while insulating Spark from risk
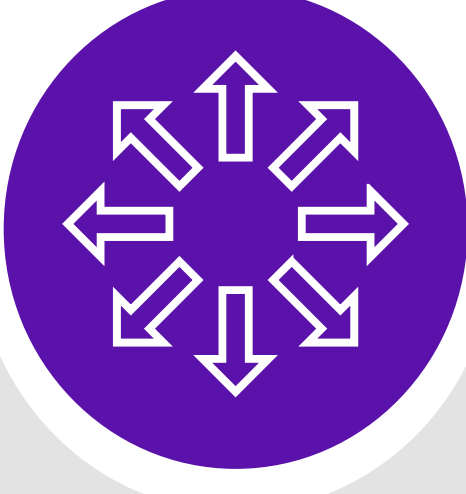
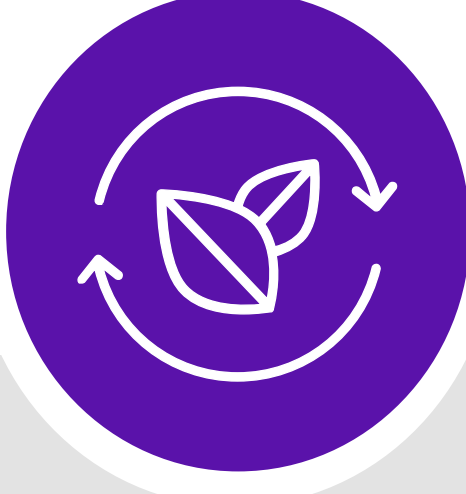| Exponential growth in data continues	Technology convergence accelerating	Network virtualisation broadening competition	Political volatility and economic uncertainty	Rising bar on sustainability
Supports investments in digital infrastructure and growth in key markets	Solving business problems through new solutions is a commercialisation opportunity	Network is our foundation, and data the new strategic moat – differentiation through customer personalisation	Resilient products and services, opportunity to leverage multi-brands and productivity benefits of tech	Technology is a key enabler of decarbonisation and broader sustainability benefits

This drives a dual focus on resilience and growth

Our strategy aims to position Spark for success in an uncertain future

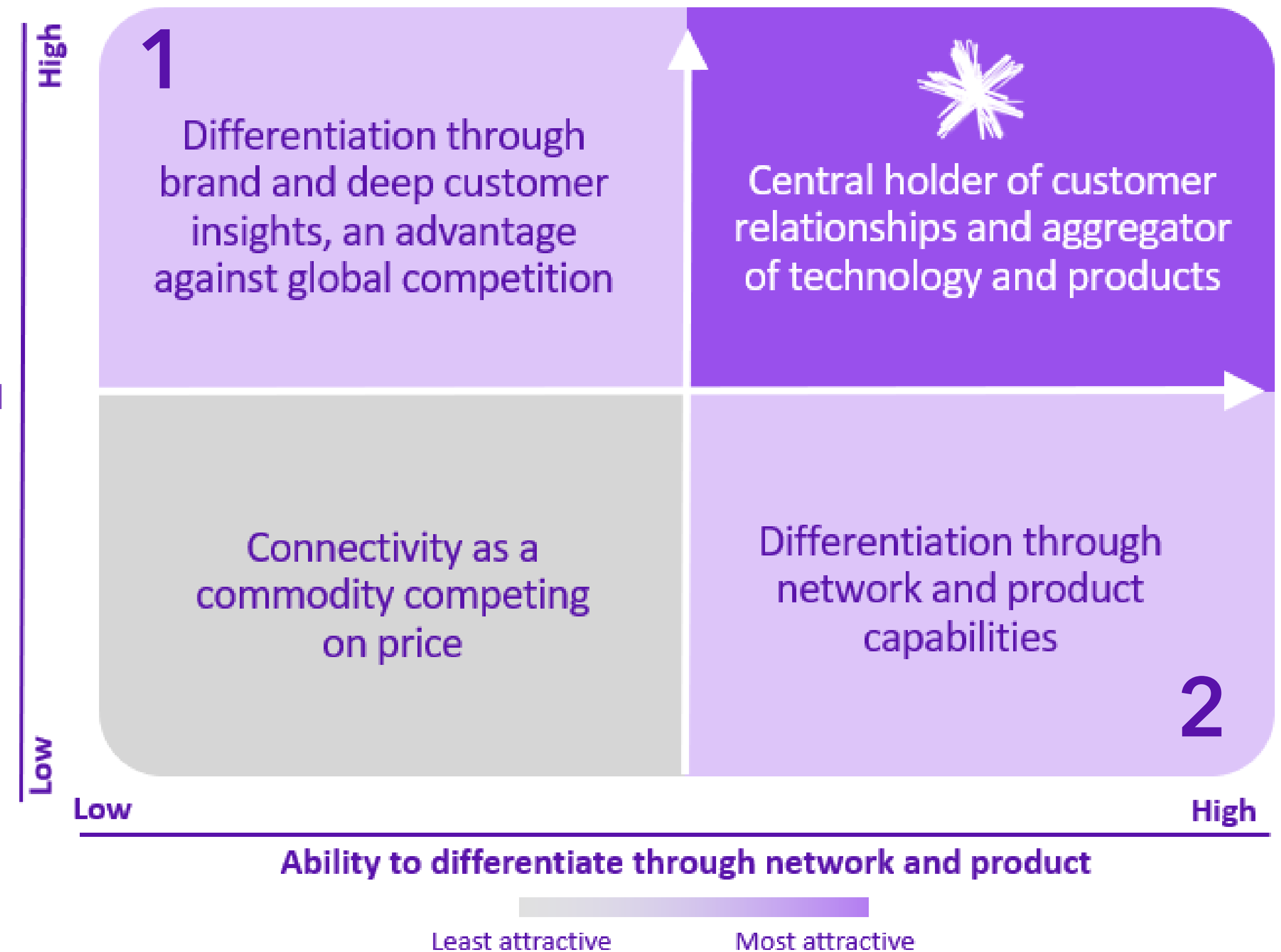Ensuring investment for future growth also reinforces the core and enables optionality

○ Without differentiation the market will move towards connectivity as a commodity

○ We see two key avenues to differentiate:

1 Holding customer relationships through brand and deep customer insights

2 Network and product capabilities

○ Through our brand strength, deep customer insights, customer relationships breadth, and sustained network and product investment, we believe we can maintain our leadership position

Ability to differentiate through brand and deep customer insights

High

1

Differentiation through brand and deep customer insights, an advantage against global competition

Central holder of customer relationships and aggregator of technology and products

Connectivity as a commodity competing on price

Differentiation through network and product capabilities

2

Low

Low — High

Ability to differentiate through network and product

Least attractive — Most attractive

This guides a series of 'no regrets' investments for future growth

We will invest in the capabilities we need to protect and promote differentiation, and grow in higher value segments

Through effective **portfolio management** over the last three years, we can invest to support our strategy:

Divestments

Invest for growth

TowerCo

Divestment of 70% stake in passive mobile assets which are no longer competitive differentiators – delivering net proceeds of $911 million

Sport

Challenges achieving scale since entry, combined with escalating content rights costs, informed decision to exit sports streaming market

○ Data centre portfolio expansion

○ New technologies – 5G Standalone and multi-access edge compute

○ Digital identity

Our purpose

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Our values

TŪHONO: we connect

WHAKAMANA: we empower

MATOMATO: we succeed together

MĀIA: we are bold

Spark nz

Our FY24-26 focus

We will empower the people and businesses creating Aotearoa's tomorrow by:

Bringing New Zealanders the best digital-first experiences, curated to their needs

LEAD
Mobile

OPTIMISE
Broadband

Enabling New Zealand Businesses to grow and become more productive and sustainable through technology

LEAD
SME and Business

GROW
High-tech Solutions

Our enablers

Next evolution technology

Simple, data-driven organisation

Innovation culture

Our commitment: to stand together for generations to come

Toitū Sustainability at Spark

Economic Transformation

Digital Equity

Sustainable Spark

Te Korowai Tupu

Our **Māori Strategy**

Our FY26 outcomes

Low / mid single digit CAGR
EBITDAI growth

>10%
Free cash flow growth

+10 lift
Customer engagement

Top decile
People engagement

Top quartile
Sustainability benchmarking

We will empower the people and businesses creating Aotearoa's tomorrow

Investing in data-driven personalisation and tomorrow's technology to drive growth in the core, while opening up new commercialisation opportunities

Consumer

- Deepening data-driven personalisation by individuals and households, while leveraging our technology investments to deliver the latest digital experiences to New Zealanders

SME and business

- Delivering scalable, standardised technology solutions that meet the needs of our SME customers, accelerating simplification and portfolio focus in business to deliver growth and efficiency for our customers and Spark, and investing in the high-growth data centre market

High-tech

- Leveraging new capabilities and technology convergence to create innovative solutions to customer problems that unlock new value pools

We will continue to invest in the enablers of our marketplace success

Further building our differentiation and supporting growth across mature and growing markets

Next evolution technology

- o Continuing to deliver a highly secure, automated, and resilient network, while investing in the digital infrastructure our customers need to grow
- o Deploying 5G Standalone gives us the opportunity to enable 'fibre-like' experiences, accelerating our competitiveness and fuelling new growth areas

Simple data-driven organisation

- o Extending the competitive advantage we have built through simplicity and data in consumer to SME, business, and the Spark enterprise – using data-driven insights to improve customer experiences and efficiency

Innovation culture

- o Fuelling our future growth ambitions and differentiating Spark through top decile people engagement

How we do business remains just as important as *what* we will do

Our commitment to sustainability and supporting Māori aspirations is enduring and integrated throughout our strategy

**Toitū
Sustainability
at Spark**

o   We will continue to pursue growth that supports Aotearoa New Zealand's economic transformation, protects our natural environments, and helps to close the digital divide

Te Korowai Tupu

o   Our Māori Strategy finds the shared space between te ao Māori and the corporate world, with a particular focus on meaningful partnerships that increase Māori participation and progression in our sector and support the revitalisation of te reo

SPARK

With this focus we will deliver sustainable growth for our shareholders

Growing our business by enabling others – our customers, our people, and Aotearoa

Our FY24-26 strategy will deliver

- Top-line revenue growth
- Reinvestment in the business for incremental returns
- EBITDAI growth through increasing revenue and cost discipline
- Dividend growth through disciplined capital management and free cash flow growth
- Market-leading total shareholder returns[1]

1. Relative to international telco peer group

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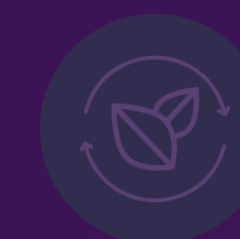
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Low / mid single digit CAGR
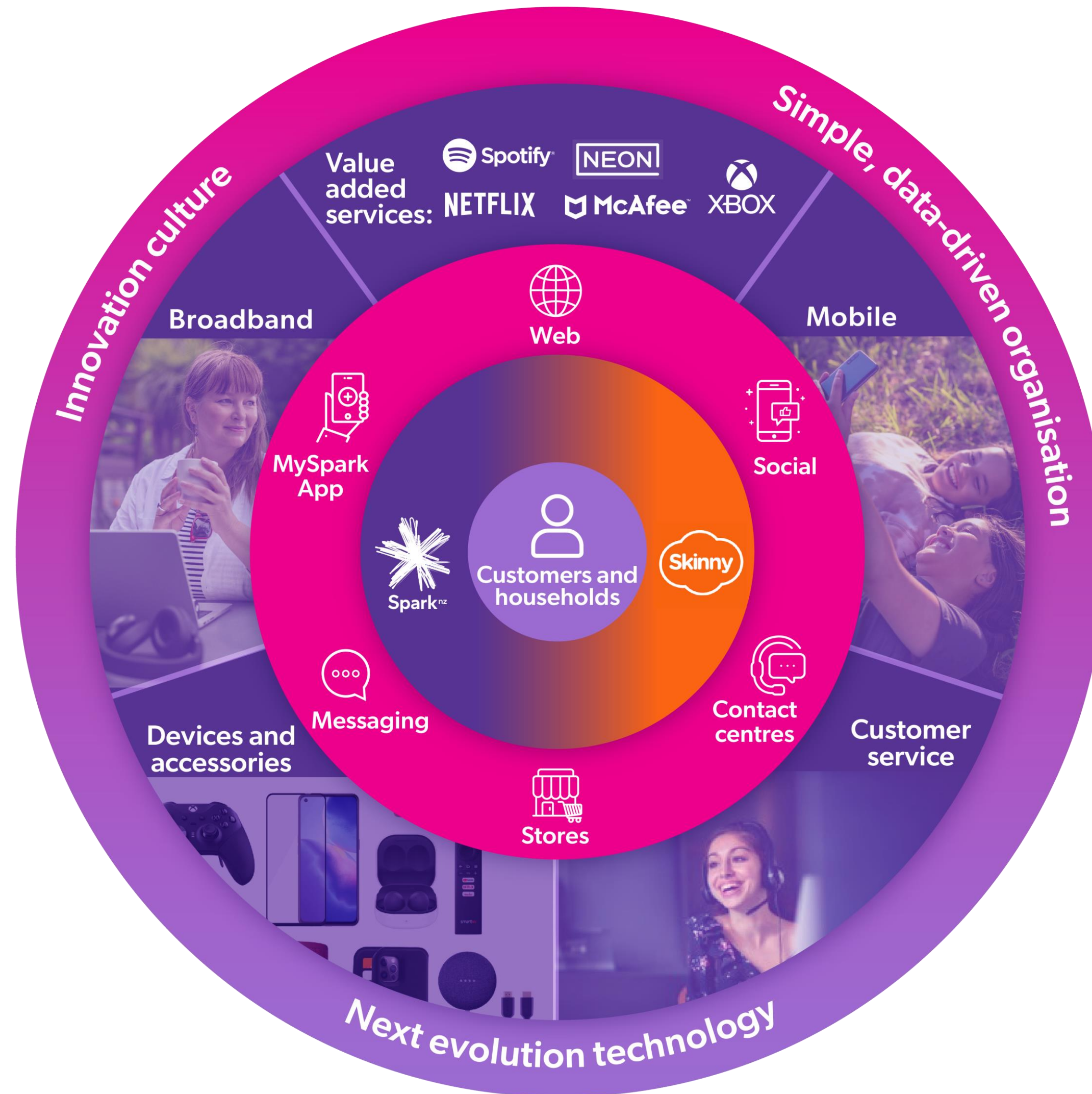EBITDAI growth

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Free cash flow growth

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Customer engagement

Top decile
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Top quartile
Sustainability benchmarking

Spark nz

Bringing New Zealanders the best digital-first experiences, curated to their needs

Leveraging our competitive advantages in brand, data, and technology investment

1 Multi-brand market approach through Spark and Skinny

2 Unique ability to target the right product to the right person through data and AI capability

3 Technology investment enabling product innovation and meeting customer data needs

We have strong momentum in the growing mobile market

Spark is well positioned to serve increasing customer demand for data and richer entertainment experiences

Spark Mobile Service Revenue Growth vs Total Market[1]
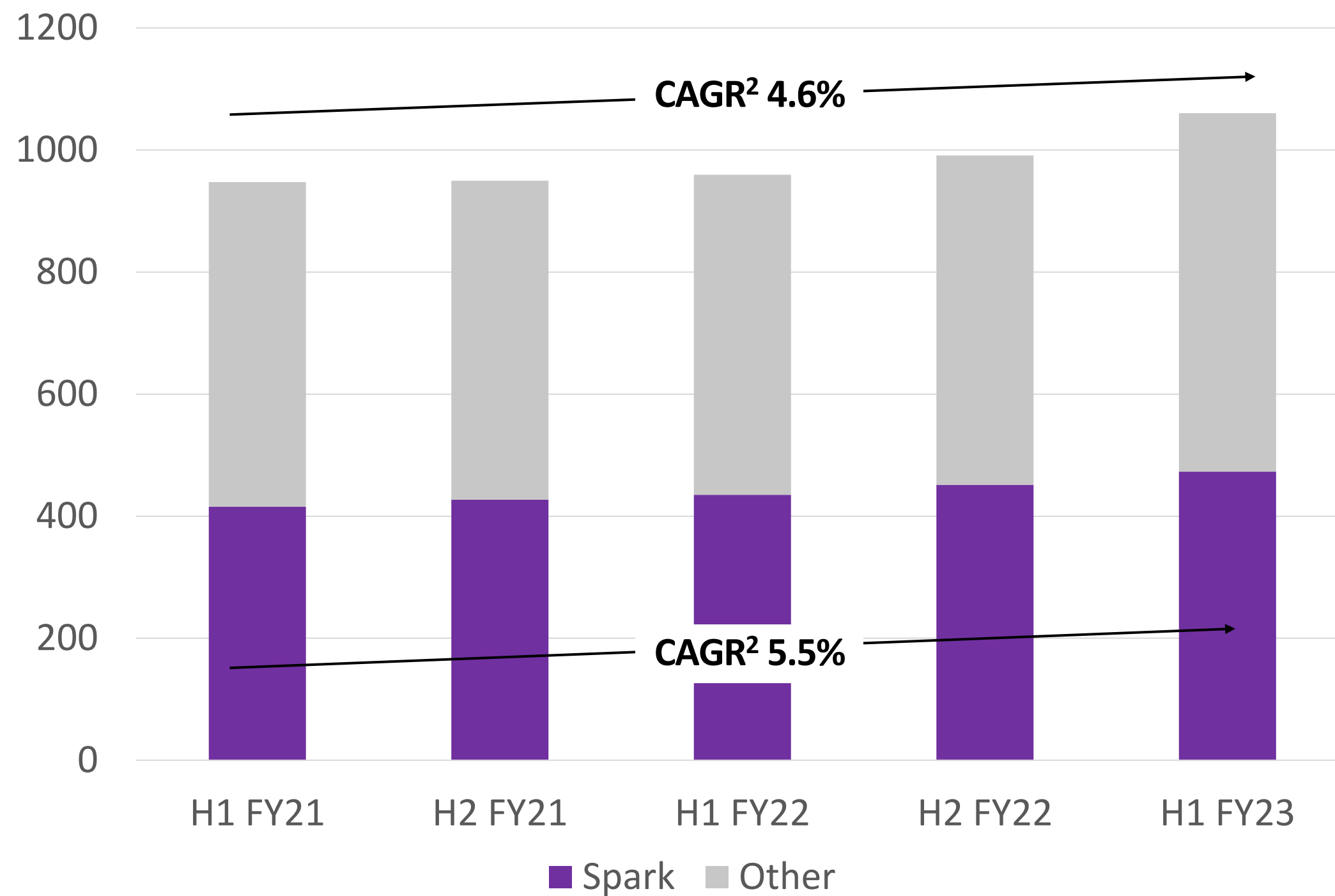
- Spark #1 connections and mobile service revenue in a growing market[3]

- Customer demand for data continues to increase and will grow further as 5G applications drive higher usage (i.e., gaming)

- Return of high-value mobile roaming revenues continuing as New Zealanders embrace international travel once again

- Supportive tailwinds from immigration

1. IDC   2. Spark calculation based on 2.5 years performance H2 FY20-H1 FY23   3. IDC Q4 2022

We will grow value by focussing on three core customer benefits

Deepening personalisation by individual and household, while delivering the latest digital experiences to Aotearoa
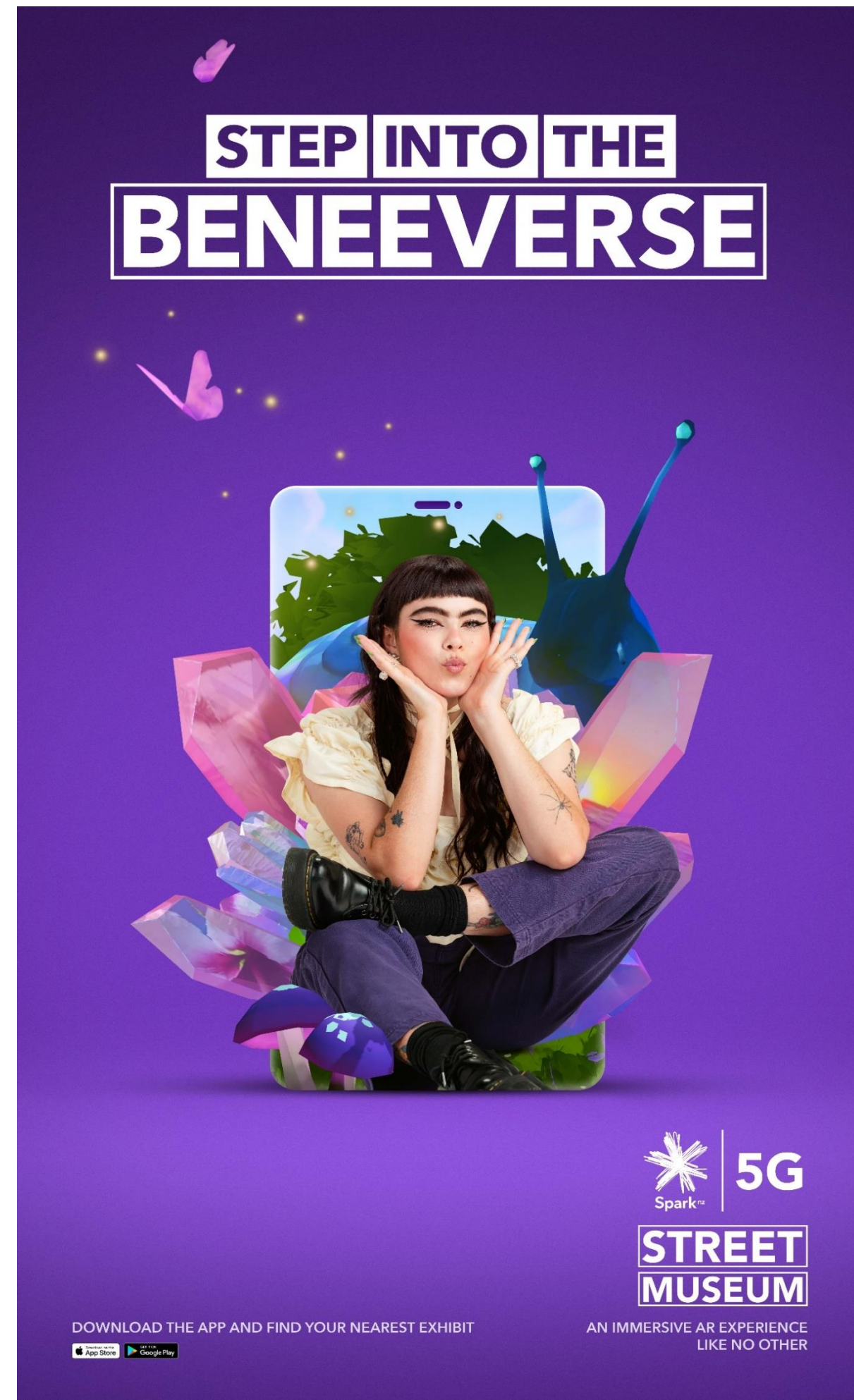
	Just what *I* need	Just what my *household* needs	The latest digital experiences
What we will do	**Leverage multi-brand positioning** ○ Customers can choose a plan that meets their needs, regardless of usage or budget ○ In-demand services (e.g. Netflix, Spotify) maintain Spark's value-added position ○ Lead on value with Skinny	**Increase product household density** ○ Leverage data capability to serve more household needs ○ 'Mix and match' modular product offerings, enabling personalised household offers	**Monetise 5G latency and capacity** ○ Accelerate local and global partnerships to offer richer customer experiences, leveraging latency, speed, and capacity ○ Annual price reviews and 'experience' based consumption plans
Benefits	○ Insulate against recessionary impacts ○ Maintain mobile momentum in a highly competitive market	○ Grow share of wallet through adjacent products ○ Grow mobile ARPU	○ Grow mobile ARPU through higher data use cases and plan monetisation

The broadband market will remain highly competitive

The role of wireless broadband remains critical to our competitiveness, allowing Spark to offer more value and choice

Current broadband market performance

- High levels of competition, increasing access costs squeezing margins, and limited ability to differentiate

- Despite this, Spark maintained its base and #1 revenue and connection share[1] and has grown its wireless broadband (WBB) base to ~29%[2] – on track to hit 30% target by end FY23

- While it is a challenging market, broadband enables deeper household relationships than mobile alone, and supports cross-sell and up-sell

FY24-26 tailwinds
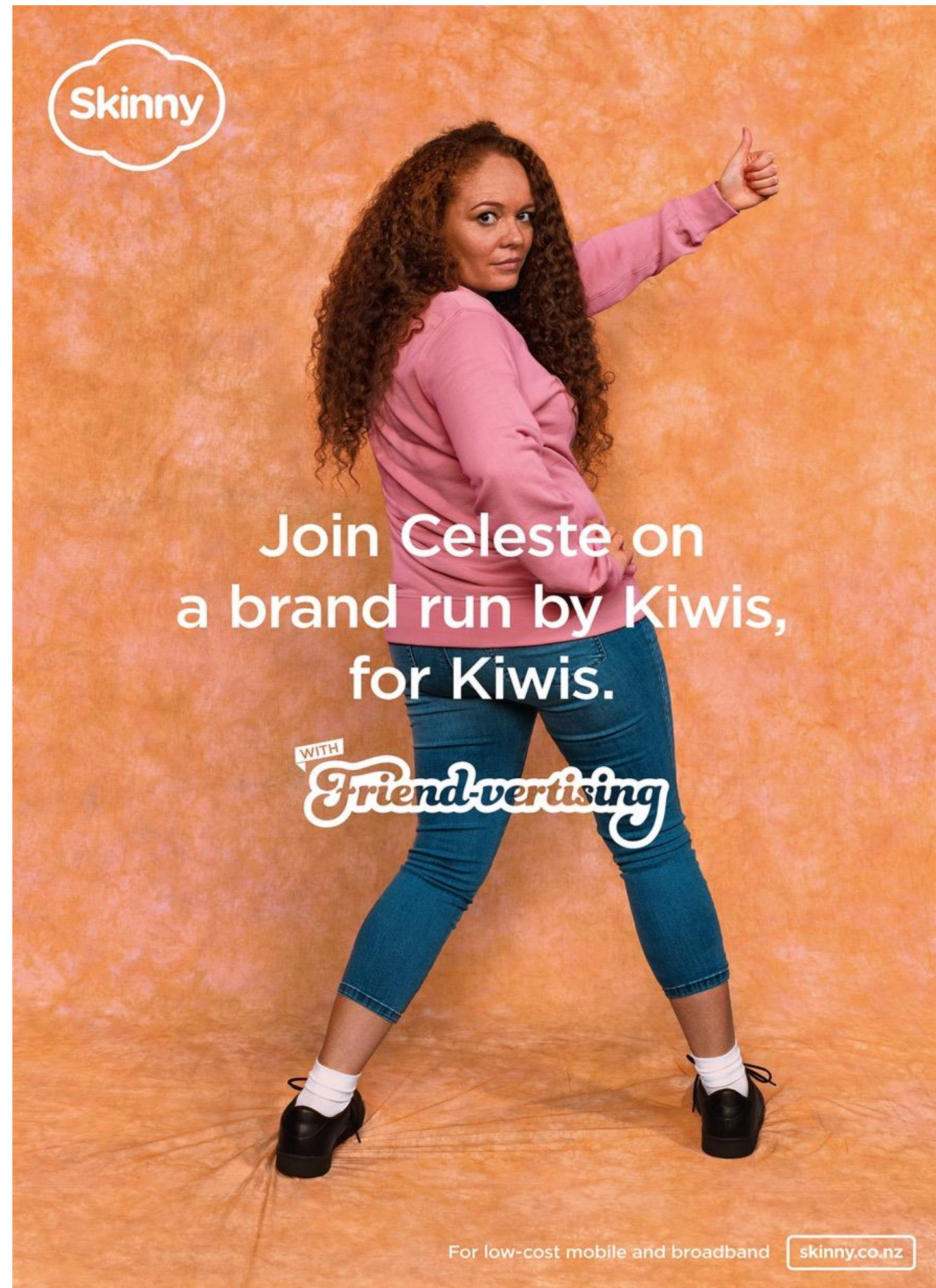
- Spark's data capability has matured and enables highly targeted and efficient acquisition and retention – a competitive advantage in our market

- 5G WBB growth will accelerate through densification and 5G Standalone – with early Standalone trials delivering download speeds of up to 700Mbps and single-digit millisecond latency

1. IDC tracker Q4 2022 2. Based on position at end Feb 2023

We will grow broadband value by focussing on two core customer benefits

Leveraging maturing 5G capabilities to grow WBB and leading the market in optimising connectivity value

Just what my household needs

The best value for my money

What we will do

- Leverage data capability to identify suitable WBB households

- Expand addressable market as 5G matures and can compete against some fibre products

- Leverage data capability to target personalised offers for highest return

- Lead on value with Skinny

- Product simplification

Benefits

- WBB supports improved broadband economics

- Anticipate WBB to grow from ~30% of base in FY23 towards 35% by end FY26

- Maintaining broadband leadership with improved economics

Our purpose

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Low / mid single digit CAGR	>10%	+10 lift	Top decile	Top quartile
EBITDAI growth	Free cash flow growth	Customer engagement	People engagement	Sustainability benchmarking

Enabling SMEs to grow and become more productive and sustainable

Leveraging our competitive advantages in brand, national and local reach, data capability, and strategic partnerships
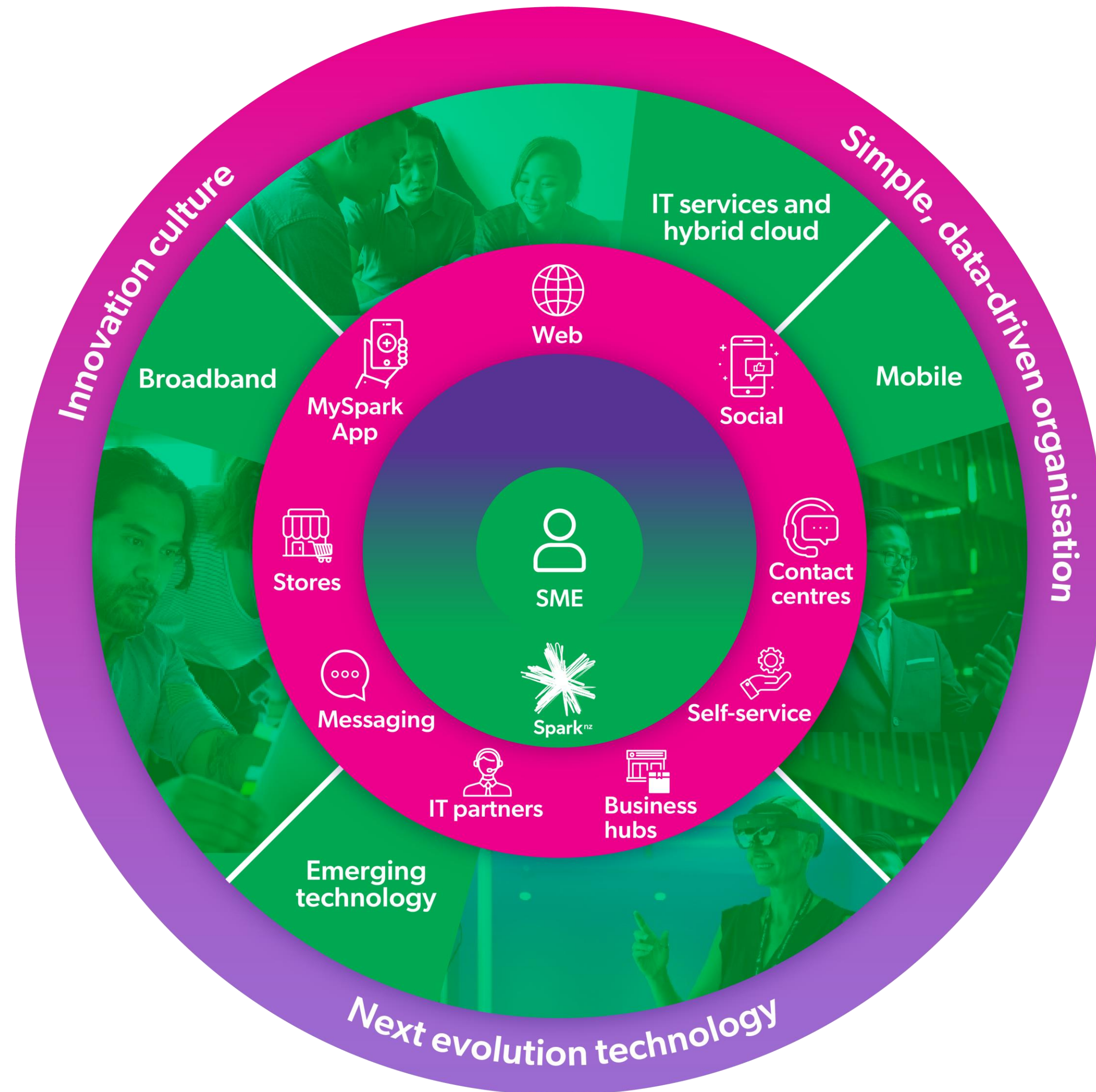
1 Strong position in market with ~120k customers and effective *'Local like you'* brand positioning

2 Data and AI capability supporting SME growth

3 24 locally owned and operated Business Hubs coupled with national IT partner channel and global partnerships

In SME challenging economic conditions are driving a focus on productivity

This is supporting a predicted ~$90 million increase in the addressable IT market by 2026, in addition to telco growth

99% of New Zealand businesses are small-medium enterprises[1]

#1 concern for SMEs is rising costs[2]

$8.5bn value to the NZ economy from SME digitisation[3]

4.3% CAGR in addressable IT revenue to 2026[4] – highest growing segment

Estimated addressable IT revenue, $m, SME[4]

Data centre · IT services · Devices · Software

+4.2% CAGR
+4.3% CAGR
~$330m
~$350m
~$440m

2019 · 2021 · 2026

~$90m increase in the addressable IT market from 2021-2026
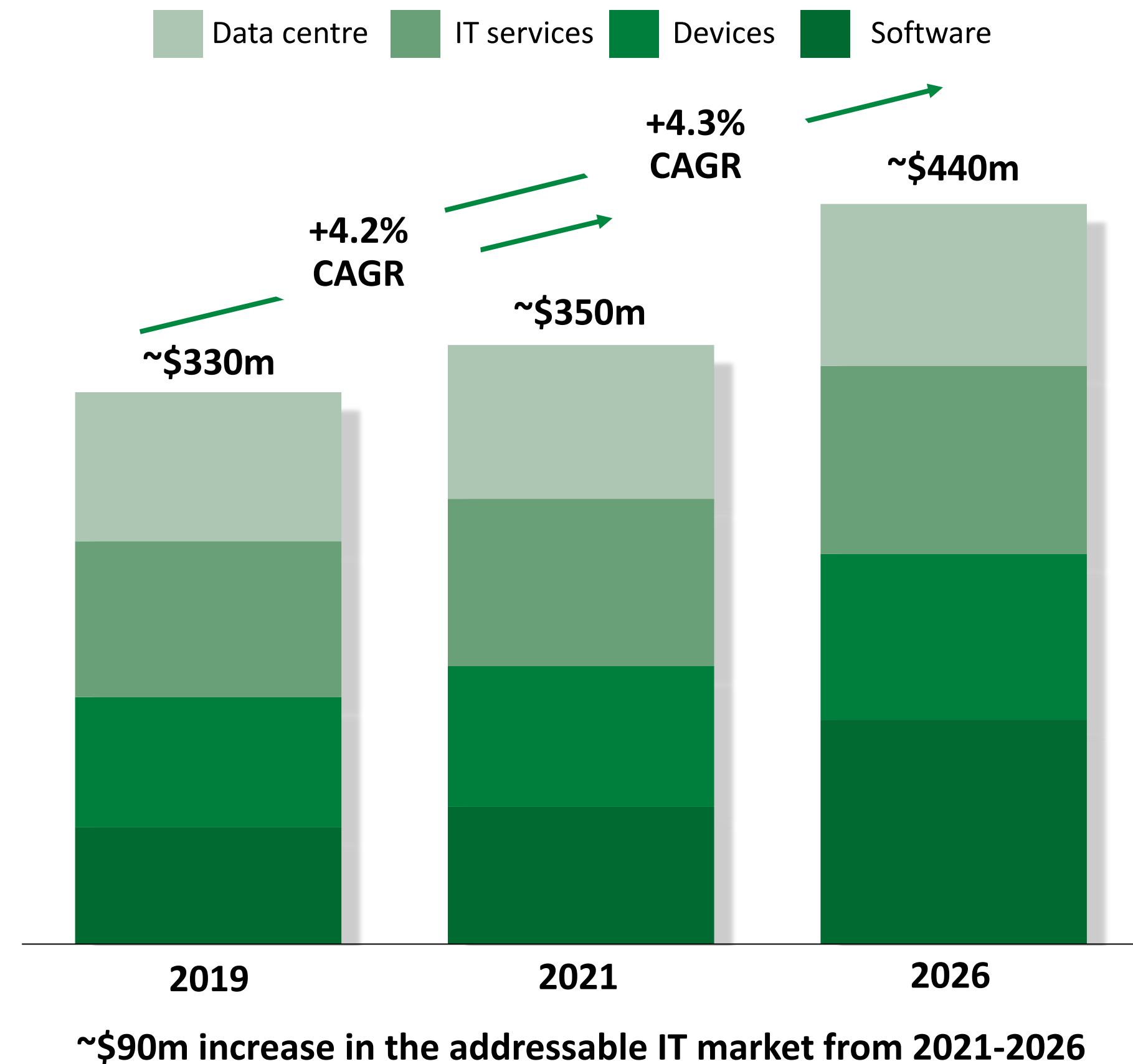
1. Statistics New Zealand – SME defined as a company with 0-99 employees 2. Spark business survey 2022 3. MYOB
4. Spark estimate based on external research and analysis (supported by McKinsey) including independent market growth data. SME market defined as 0-99 employees

We will support SMEs to improve revenue generation and efficiency

Growing value beyond mobile and broadband and positioning Spark as the 'go to' telco and ICT provider

SMEs 3-20 employees	SMEs 20+ employees
Standardised, digital-first	Higher value solutions

- Productised, scalable IT services delivering consistency across NZ
- Curated IT solutions underpinned by partnerships
- Digital-first, omnichannel experience with self-serve customer journeys for core products
- Bundled solutions combining IT hardware, software and professional services

Enabling NZ businesses to grow and become more productive and sustainable

Leveraging our competitive advantages in end-to-end capabilities, specialist skills, scale, and strategic partnerships
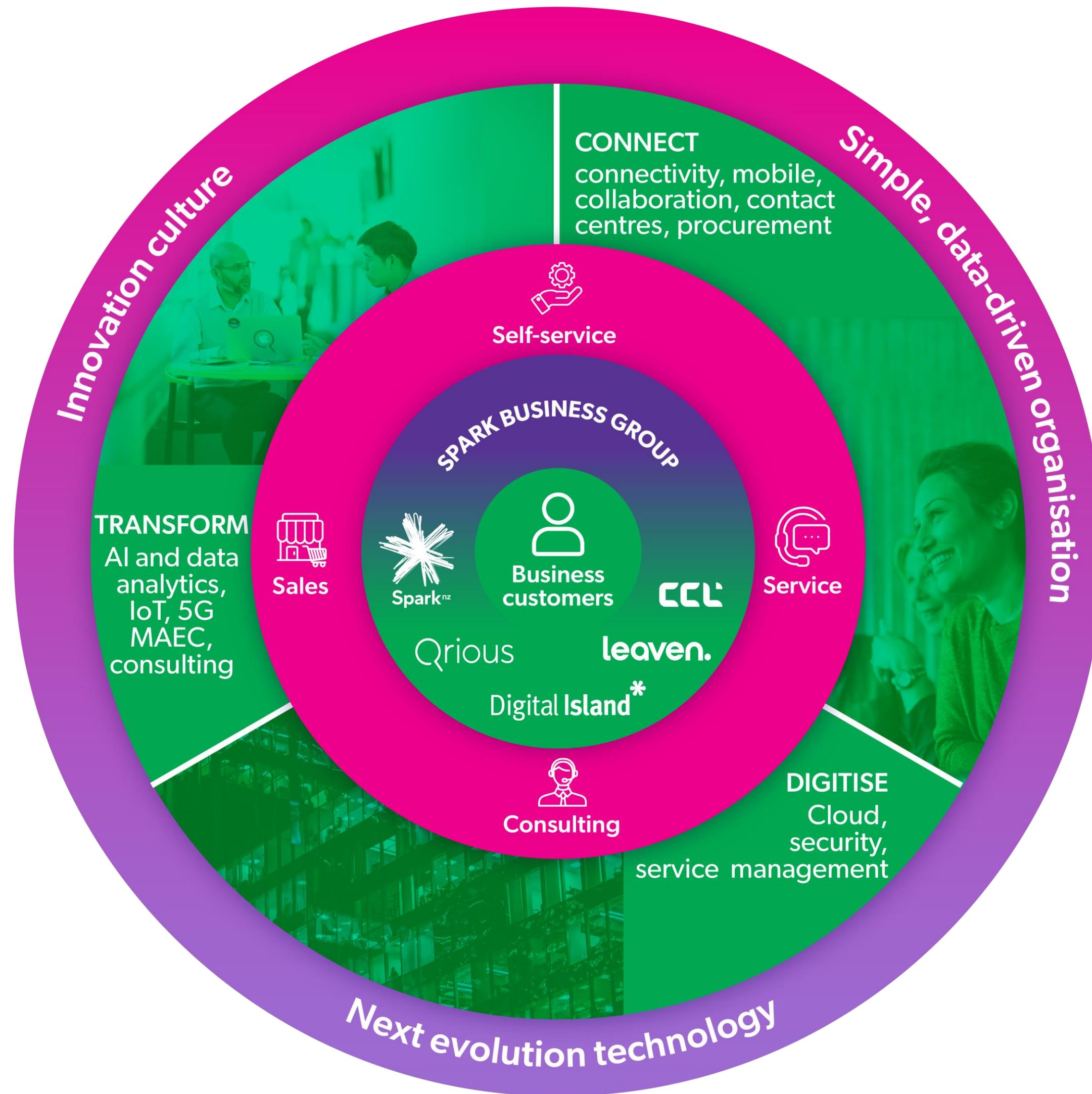
1 End-to-end capability, from connectivity to transformation – a one-stop-shop for customers

2 Highly trusted partner with local knowledge, deep expertise, and robust cyber security capability

3 Scale, technology investment, and global partnerships support customer innovation

1. Multi-access edge computing

The B2B market remains attractive with strong growth predicted

As businesses continue to harness the power of technology for productivity and efficiency gains

○ Continued strong market growth expected across Spark's key segments

○ Competitive dynamics changing, particularly in cloud, creating sustained margin pressure

○ Reassessed our role across the B2B value chain to target future investment for maximum returns and align our cost base to changing segment growth profiles

IT & Managed Services market revenue growth projected at ~7% CAGR to FY26[1]

$4.1b - $4.3b

~$3.3b

CAGR

~13%

~10%

~2%

~7%

<1%

FY22   FY26

■ Managed Data & Networks ■ Collaboration ■ Service Management ■ Security ■ Cloud
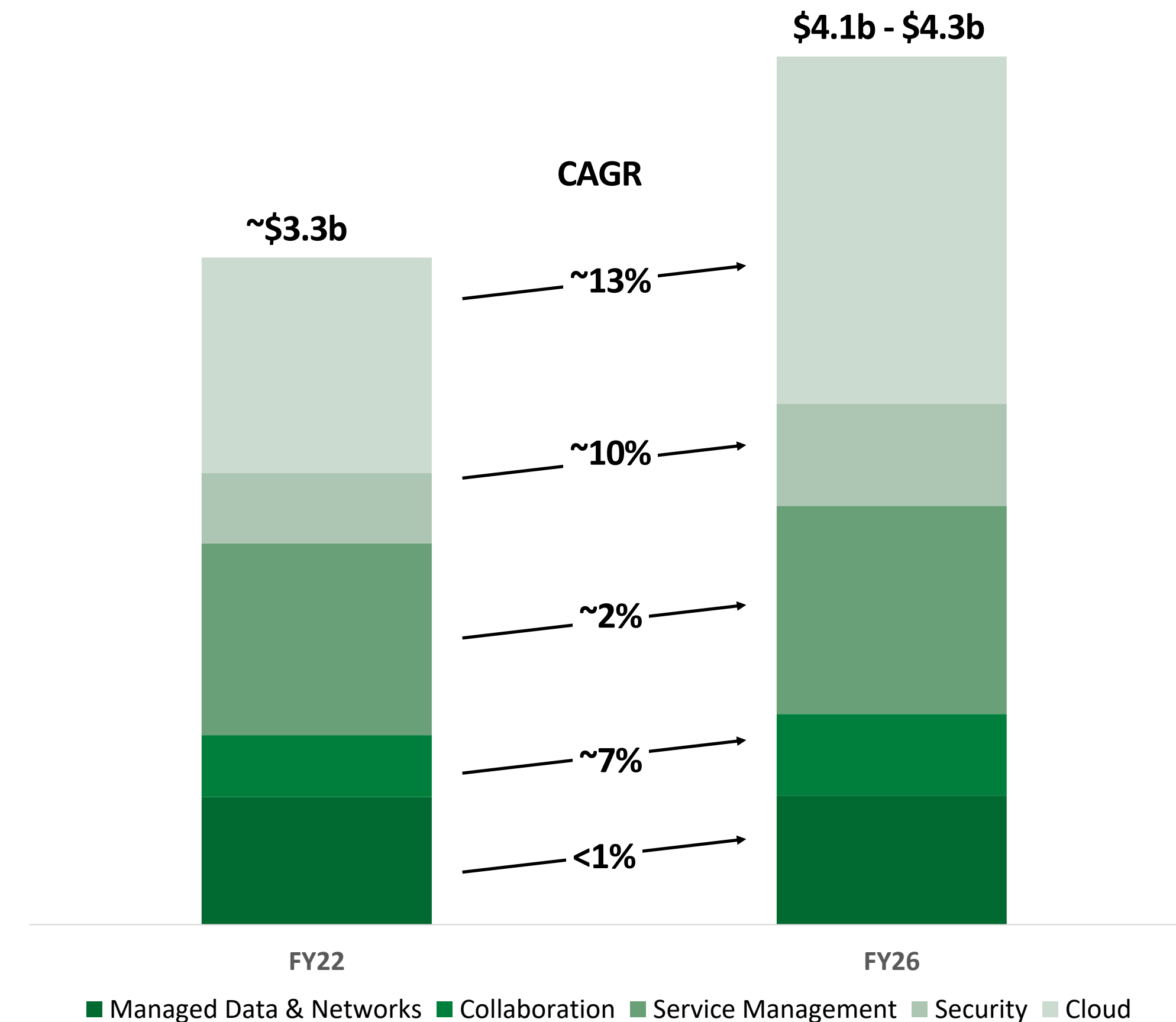
SPARK

1. Spark's estimates based on IDC market share data. Excludes procurement and partners

We will right size investment in products and upweight infrastructure

While maintaining our position as an end-to-end service provider with local knowledge and service

	CURRENT FOCUS	**FUTURE FOCUS**
Services and solutions	○ Service Management – outsourced IT services ○ Cloud and data consulting	○ Maintain as a point of differentiation ○ Supporting customers with local knowledge and expertise
Products	○ Cloud – focus on IaaS, with resale of public cloud ○ Security ○ Collaboration ○ Managed Data	○ Upweight hybrid focus and related commercial models to reduce costs and capital investment ○ Maintain Security, Collaboration, and Managed Data
Infrastructure	○ 16 data centres nationally ○ Currently investing to expand capacity	○ Increase investment in high-growth data centre market
Connectivity	○ Managed Connectivity – copper, fibre, wireless	○ Shift from traditional connectivity to software defined networking ○ Focus on creating owners economics

We will optimise our cost base through accelerated simplification

We see four key drivers of simplification that will improve returns while delivering enhanced customer experiences

Consolidation

Standardisation

Efficiency

Digitisation

- Removing back-office and service delivery duplication
- Accelerating legacy retirement and transitioning customers to modern solutions

- Transitioning from bespoke products to more standardised and modular products

- Simplified operating model enhanced by data insights
- Common tools across all parts of the group ensuring consistent service delivery

- Increasing the number of customer interactions performed on more cost-effective digital channels

We will continue to invest in the high growth data centre market

Exploring opportunities for further infrastructure investment with incremental returns

GROWTH OPPORTUNITY

- Data centre built capacity is expected to grow from ~50MW today to >200MW by 2026 (>40% CAGR)[1]

- Delivers long-term, high-margin revenues

- Additional revenue opportunities from selling services over the top and creating strategically important sites – i.e. Mayoral Drive now New Zealand's most connected site

- Leverages Spark's existing property, exchange, and connectivity assets and capabilities

Spark Takanini data centre expansion, completion due mid 2023

OUR STRATEGY

- Reinvest TowerCo proceeds into expanded data centre portfolio

- We will be investing further at our Takanini site, while also investigating other locations

- Explore partnership opportunities with hyperscalers as they rapidly scale in local markets

1. Spark analysis based on public commitments and market information on future intentions in the wider Auckland region

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OPTIMISE
Broadband

LEAD
SME and business

GROW
High-tech Solutions

Our enablers

| Next evolution technology | Simple, data-driven organisation | Innovation culture |

Our commitment: to stand together for generations to come

Toitū Sustainability at Spark

Economic Transformation

Digital Equity

Sustainable Spark

Te Korowai Tupu

Our Māori Strategy

Our FY26 outcomes

| Low / mid single digit CAGR | >10% | +10 lift | Top decile | Top quartile |
| EBITDAI growth | Free cash flow growth | Customer engagement | People engagement | Sustainability benchmarking |

Spark ⁿᶻ

We will leverage growing demand for high-tech solutions in three key areas
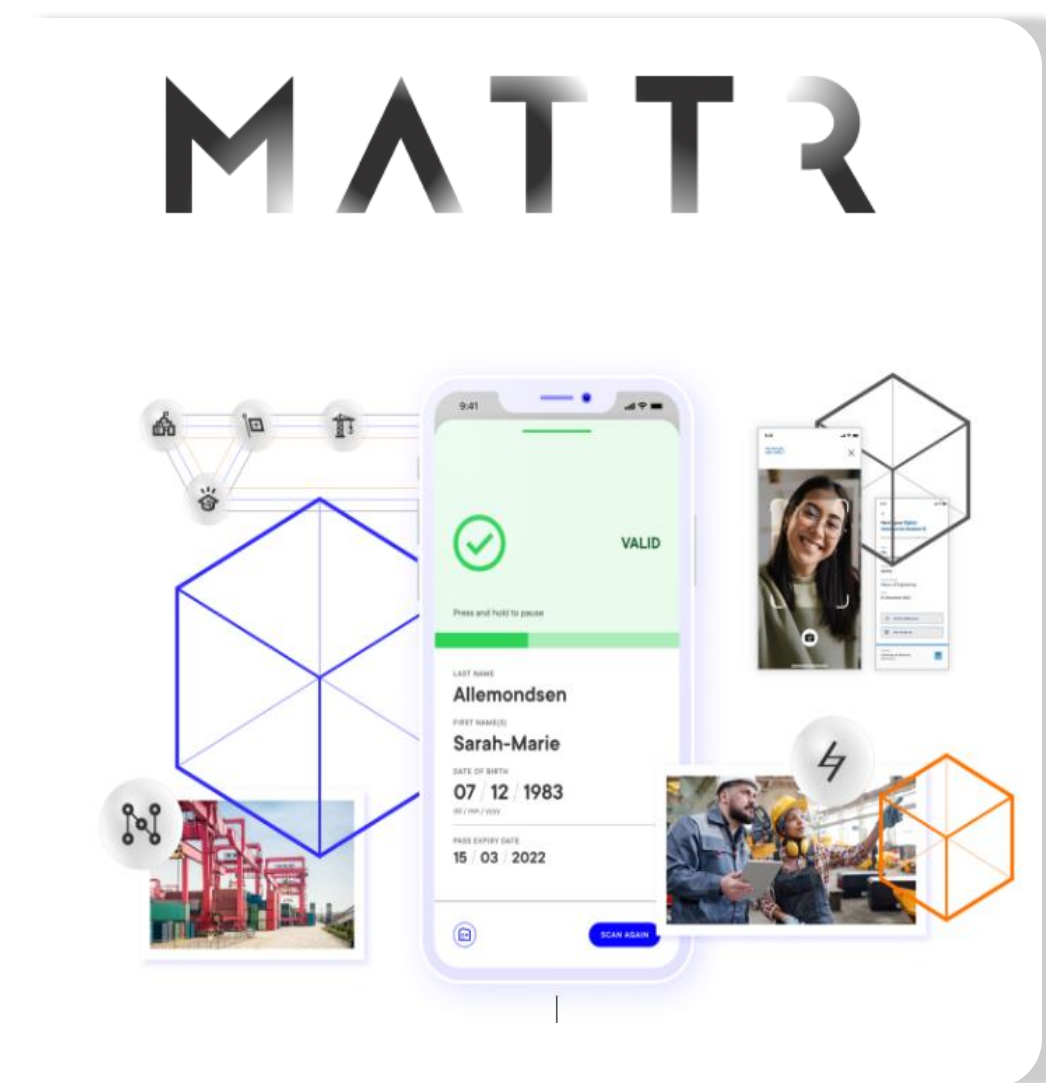
Delivering better outcomes for people and businesses from new technology adoption

1.

Supporting the digitisation
of the healthcare sector
and **growing digital health**

2.

**Offshore growth in digital
identity** and verifiable
credentials

3.

Solving business problems
through **converged
technology solutions**

The healthcare sector is under significant strain, as patient needs grow

Now more than ever technology is a critical enabler of making patient care more efficient, personalised, and accessible

- 94% of doctors surveyed believe healthcare is in a 'workforce crisis'[1]

- Healthcare professionals burnt-out – 80% of doctors globally at capacity or over-extended[2]

- Increasing number of people with non-communicable diseases and comorbidities increasing patient complexity[3]

- In 2022, 1 in 6 New Zealanders were aged 65+, in 2028 this will increase to 1 in 5, and by 2050 1 in 4[4]

- Nearly 50% of consumers surveyed use wearables or smart devices and of that, over 80% would be willing to share their personal health data with a physician[5]

- Technology debt and lack of data interoperability a critical barrier to digital health transformation[6]

1. Workforce Crisis Survey 2022, New Zealand Women in Medicine
2. Deloitte, Shaping the Physician of the Future, 2019
3. Ministry of Health, Global Burden of Disease Study provides important insights into the health of New Zealanders
4. Statistics New Zealand, One million people aged 65+ by 2028, July 2022
5. Deloitte, Tapping virtual health's full potential, September 2022
6. Insight generated through customer interviews

We will support sector transformation with core services and high-tech solutions

Helping patients live healthier lives through the power of technology

Bringing the future faster to health.

Kete Waiora
Powered by **Spark**Health
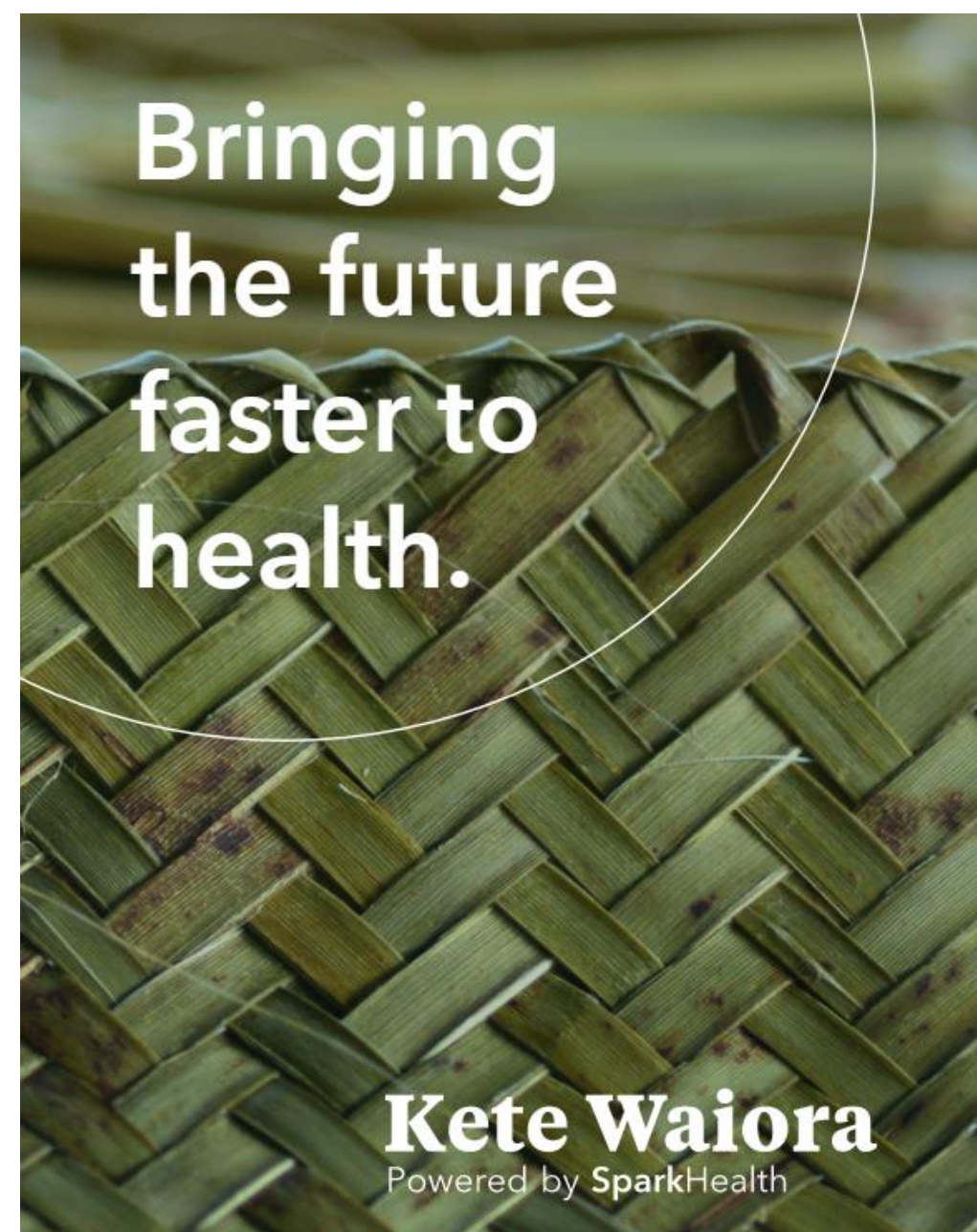
Ongoing growth in core: connect, digitise, transform

- Modernise digital infrastructure and cloud services to enable digital transformation

- Create health specific bundles to solve industry problems

Digital health platform expansion

- Standardise care delivery through digital health platforms

- Grow and expand existing platforms – HealthTxt[1], Kete Waiora[2] and Tahi[3] – integrating broader financial and workforce management services

Digital hospital and IoMT solutions

- Establish new health solutions for Digital Hospitals and the Internet of Medical Things (IoMT)

1. A national texting platform 2. A personal health record   3. A health interoperability engine

Introducing MATTR

A Spark subsidiary, operating as a standalone business

MATTR

**A new type of freedom
through digital trust**

Solving the historically difficult challenges of
security, privacy, and data verification

MATTR is creating a new world of digital trust

Providing real world solutions to human impacting problems

NEWS

06/03/2023

Nearly 1 billion emails were exposed in a single year, affecting 1 in 5 internet users
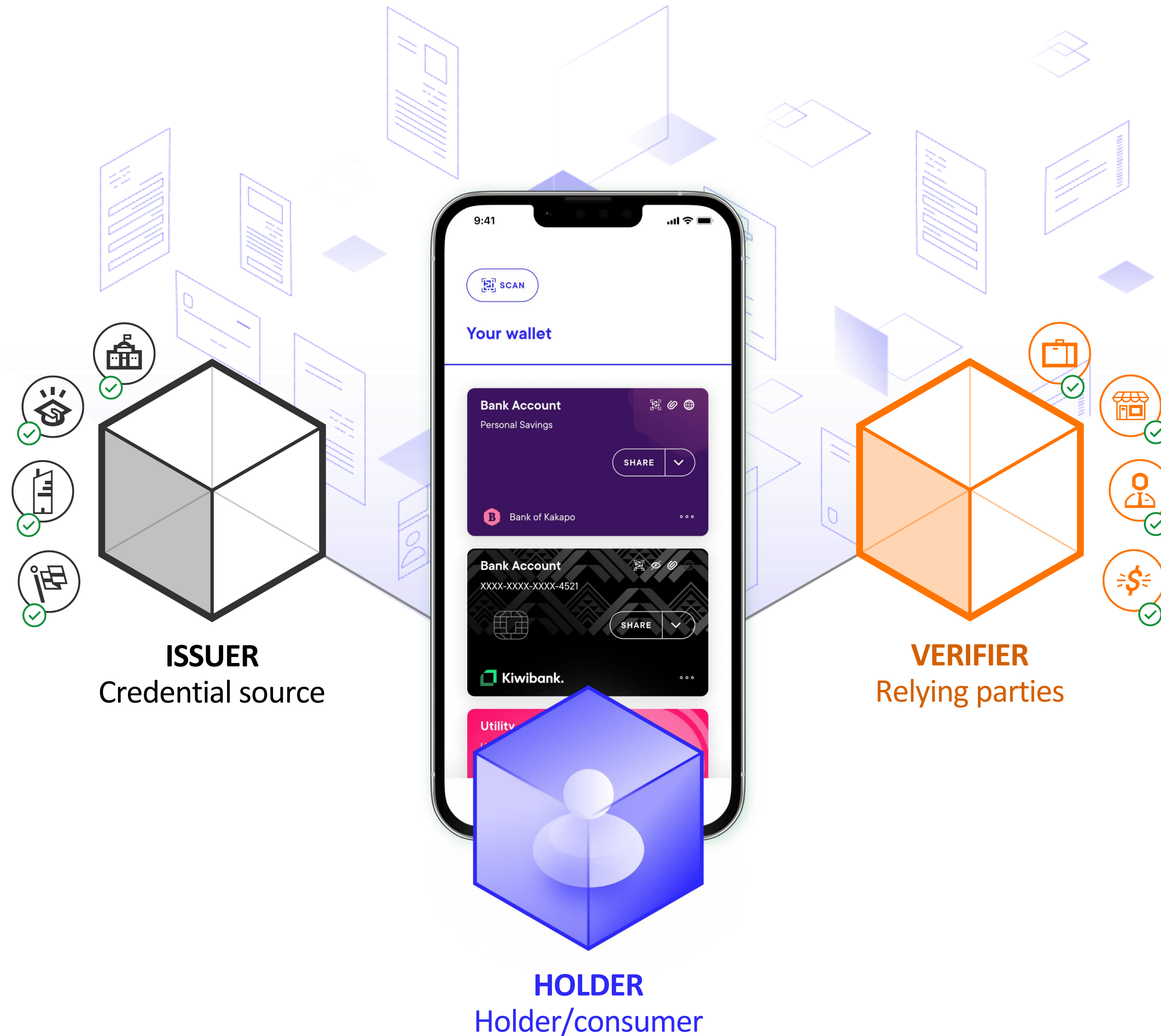
AAG

23/02/2023

Investors Lost $3.8 Billion to Scams Last Year

Investopedia
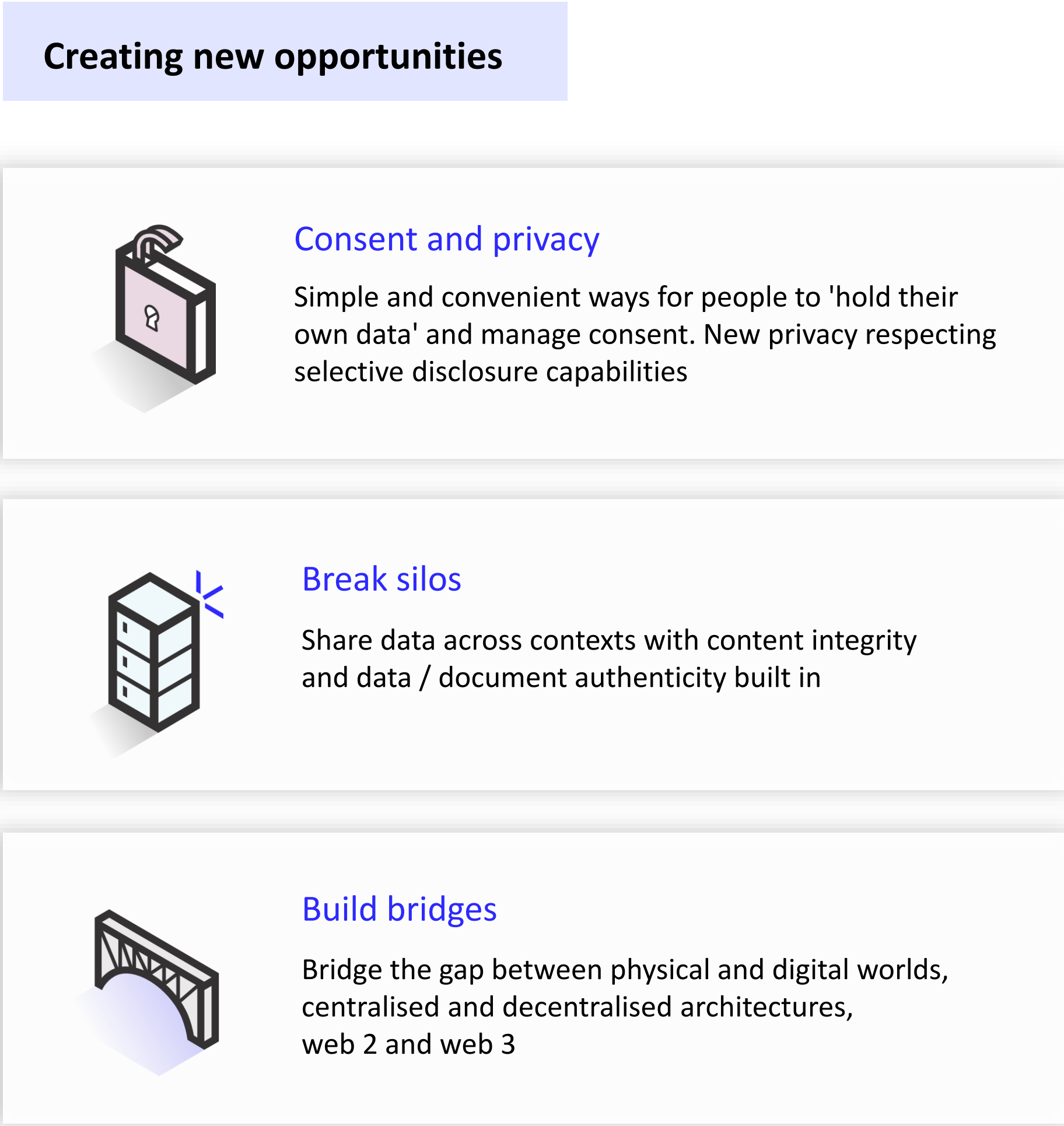
02/09/2022

Over 1.2 million credit card numbers leaked on hacking forum

CYBER SECURITY HUB

ISSUER
Credential source

VERIFIER
Relying parties

HOLDER
Holder/consumer

Spark's investment in MATTR reached commercialisation in FY22

MATTR is a SaaS company providing platform products for Enterprise, Governments and OEMs

Our approach

Customers and Partners

MATTR LABS

Lab and field testing   Prototyping

Practical Implementations

Deep Tech

Community and standards contributions

ISO   W3C   DIF

IETF   OpenID

Product

MATTR VII – Our flagship cloud based API platform

MATTR Pi – Our SDK platform

MATTR Capabilities

Credential Generation	Credential Management	Credential Verification	Ecosystem Support
Messaging	Extensions	Platform Management	

Creating new opportunities

Consent and privacy

Simple and convenient ways for people to 'hold their own data' and manage consent. New privacy respecting selective disclosure capabilities

Break silos

Share data across contexts with content integrity and data / document authenticity built in

Build bridges

Bridge the gap between physical and digital worlds, centralised and decentralised architectures, web 2 and web 3

The global digital identity market is significant

With a predicted CAGR of 91.3%[1] over the decade from 2021 to 2031

Decentralised Identity:
Market Size (non-biometric)

$48m

2021

$28bn

2031

CAGR 91.3% from 2021 to 2031
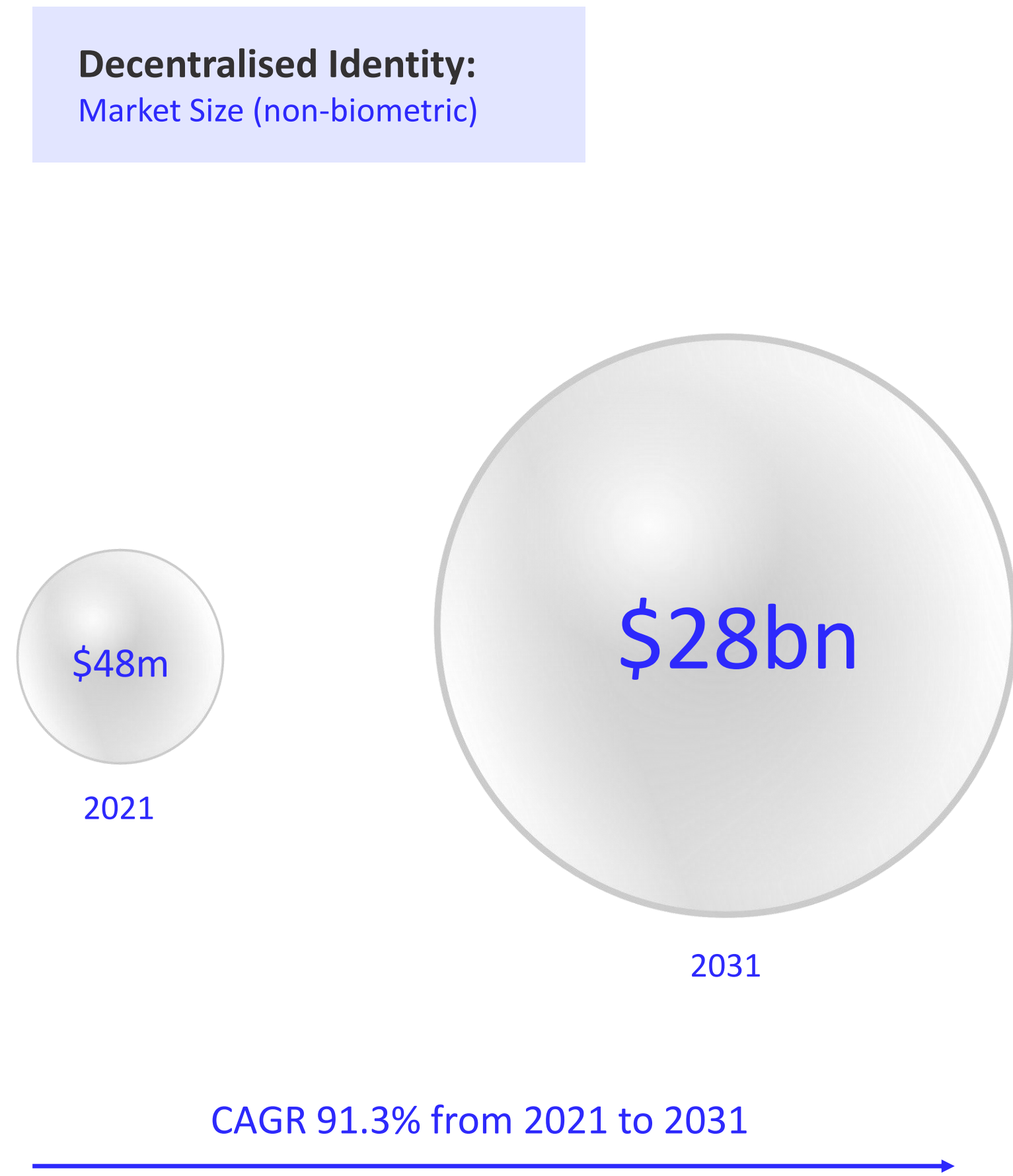
Flexible Infrastructure for business model innovation

Verifiable Credential Ecosystems

Assurance as a Service

Solutions e.g. digital notarization, micro credentials

Verifiable supply chains
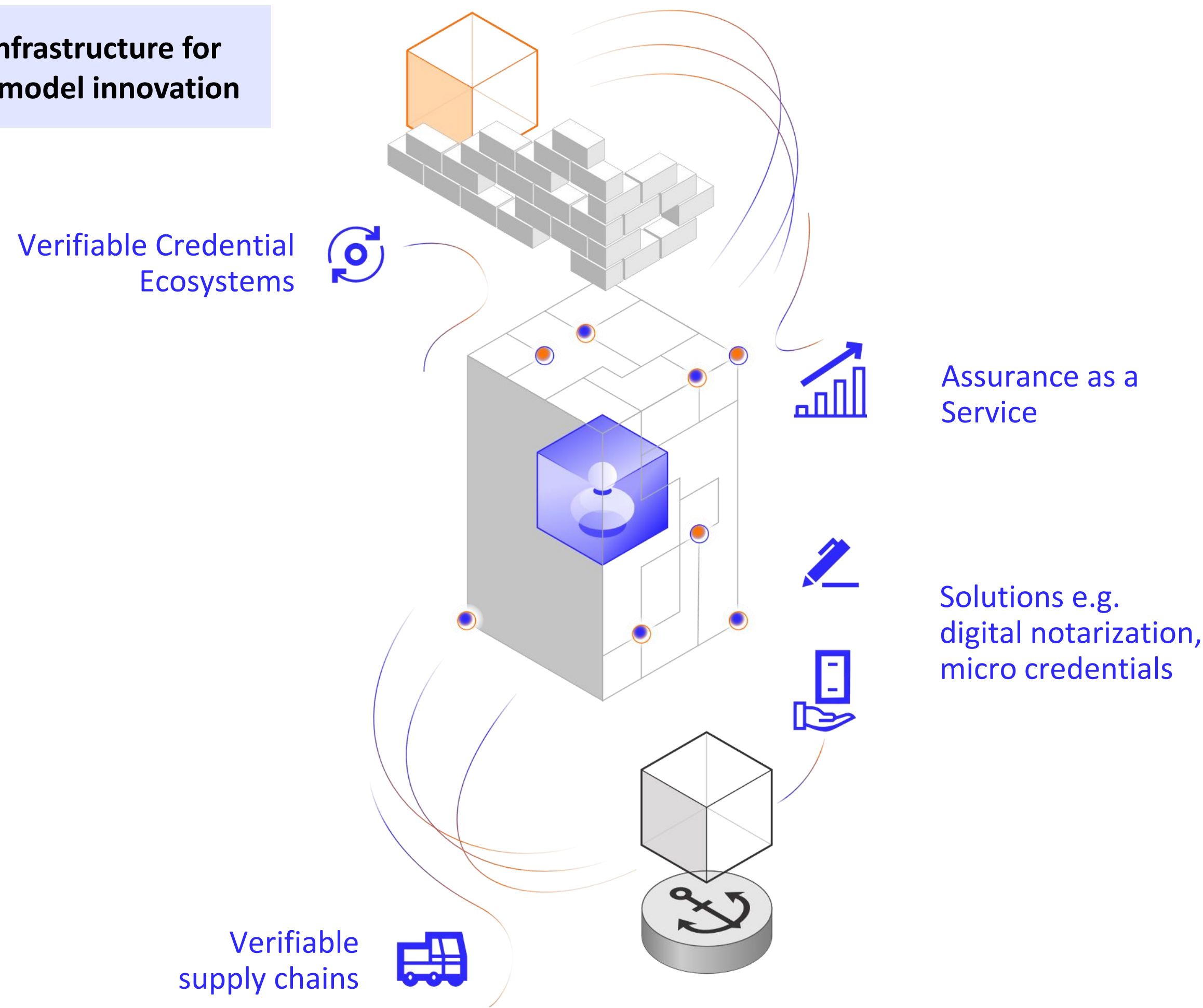
1. Allied Market Research, 2022

MATTR provides end-to-end credential lifecycle management

Flexible product capabilities for customers across journeys, profiles, and roles

ISSUE   **HOLD**   **VERIFY**

CREDENTIAL GENERATION

CREDENTIAL VERIFICATION

CREDENTIAL MANAGEMENT

ECOSYSTEM SUPPORT

PLATFORM MANAGEMENT

MESSAGING

EXTENSIONS

Credential lifecycle management → Credential profiles → User experience journeys

MATTR Security Framework
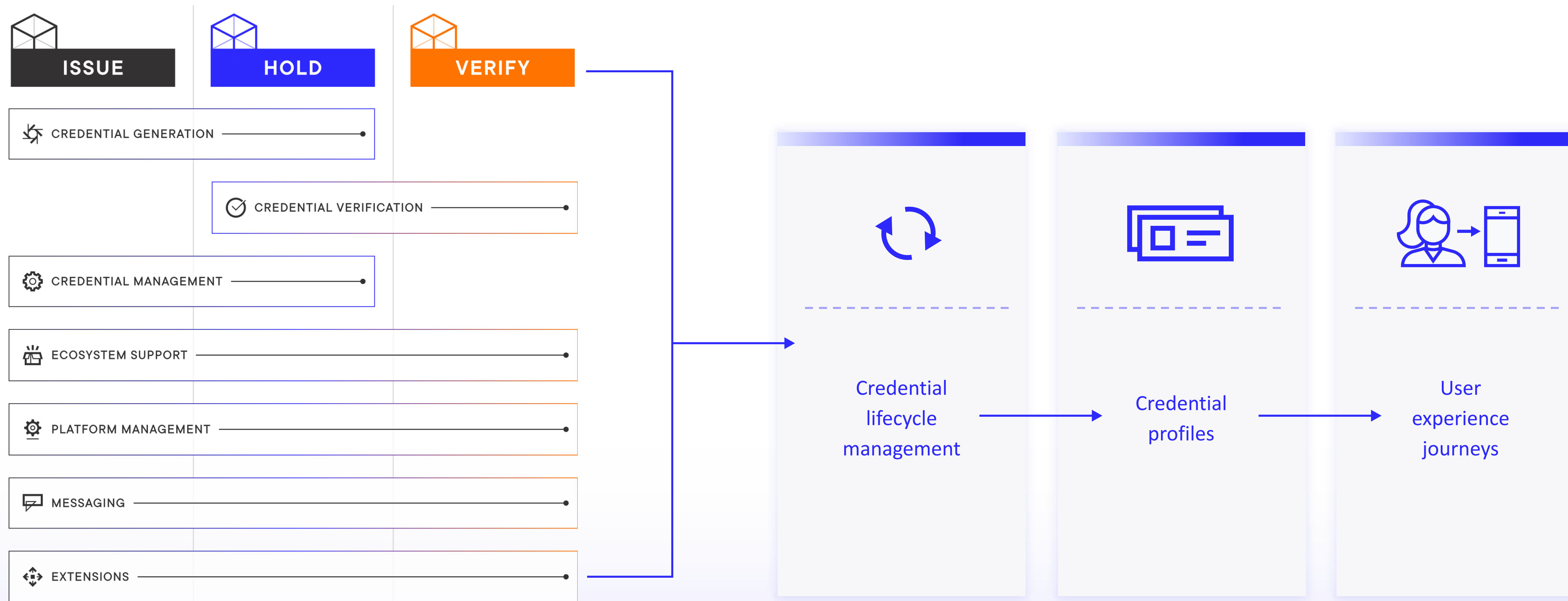
MATTR has secured several overseas clients in public and private sectors

Over the next three years MATTR will scale further as the market forms and growth accelerates

The market is starting to form and MATTR is working with businesses and governments across the globe to develop scalable solutions.

MATTR has secured a significant contract with the NSW Government in Australia.

MATTR is the **technology partner** on the NSW Digital ID and Verifiable Credentials program that will be providing products that enable verifiable credentials to be issued via the NSW Government's apps, and independently verified by third parties.

MATTR's **long-term product investment roadmap** is prioritised by market maturity and product vision

Key Themes

- Self-Service Ops, Management and Configurations
- Trusted Ecosystems
- Wallet Solutions
- Enterprise Readiness
- Credential Provisioning and Issuance
- Multi Credential Profile Support

Spark's high-tech capabilities are rapidly maturing

Each capability is enabling new business solutions – but at this stage, largely independently of each other

Data analytics and AI	5G	Internet of Things (IoT)[2]	Digital identity
○ Increasing demand	○ Nationwide 5G coverage	○ IoT connections hit 1.2 million	○ MATTR commercialisation
○ Growing position in Qrious	○ 5G Standalone network trials	○ IoT networks reaching up to 99% of population	○ Digital trust, security, and privacy in demand due to cyber risks
○ AI Principles guide ethical use	○ First MAEC[1] pilot	○ Stake in environmental IoT business Adroit	○ Offshore growth opportunity
	○ Exploring 5G mmWave		

○ A project with Qrious and KiwiRail is underway using weather data, machine learning, and data-driven sailing to reduce fuel costs and emissions

○ Spark, Nokia, and MBIE established a 5G mmWave test site in North Canterbury for PGG Wrightson to run its rural operations over 5G connectivity

○ Spark IoT, Christchurch City Council, and Fire and Emergency NZ using IoT to predict and prevent forest fires

○ MATTR secured a significant contract with the NSW Government as a key technology partner on the NSW Digital ID and Verifiable Credential program

1. Multi-access edge computing   2. Connections and network coverage at Feb 2023

Spark is starting to trial converged solutions that unite these capabilities

Successful deployments will identify use cases that can be productionised and applied across multiple sectors

- Spark and Qrious pilot for EnviroNZ

- Hazard detection system using AI, machine learning, computer vision, IoT video cameras, 5G connectivity and local edge computing

- Can detect if people are too close to excavators working in the waste disposal area at a busy resource recovery centre

- Helps solve a health and safety challenge applicable to a wide range of businesses
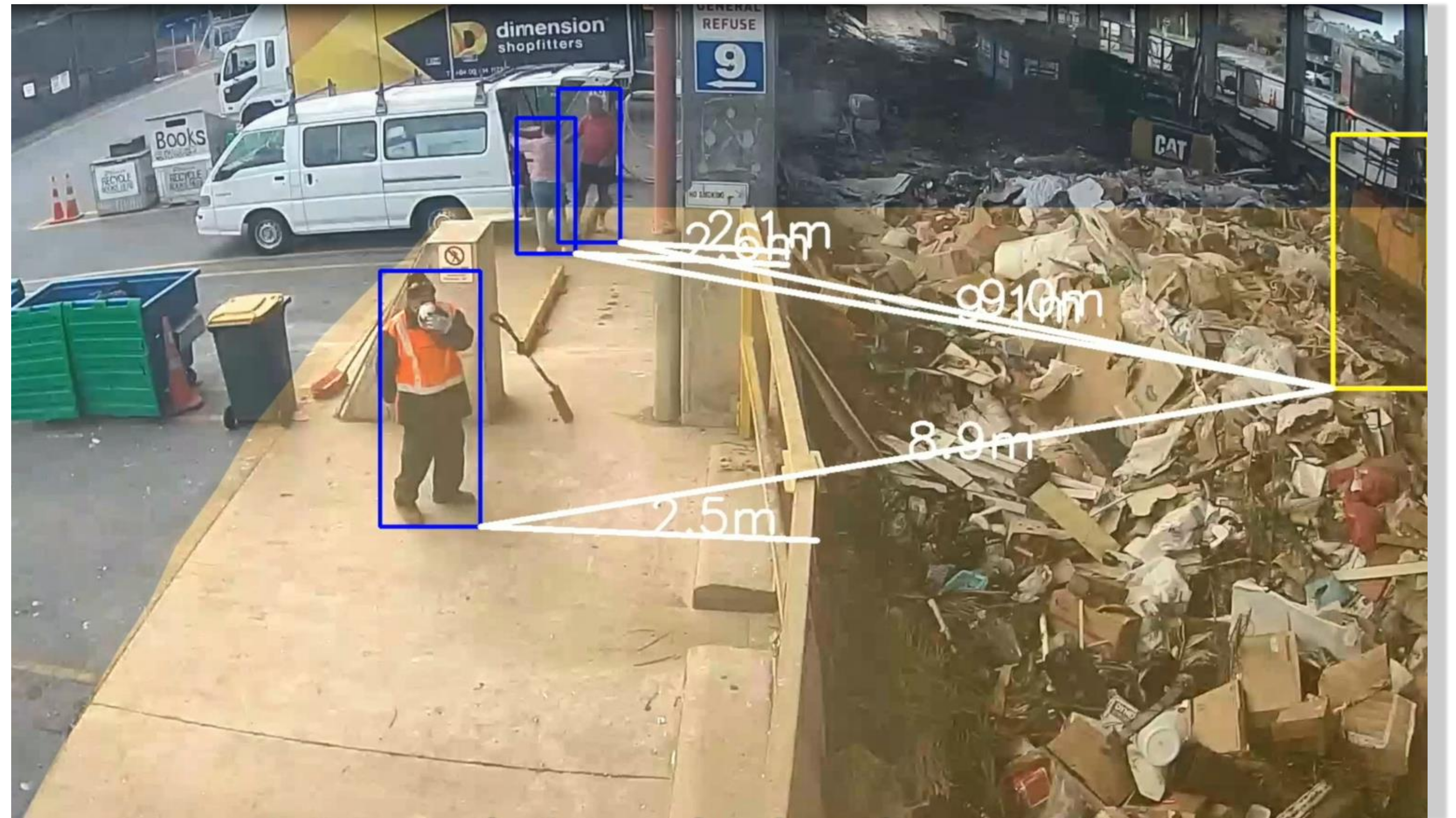
In the next three years we will leverage convergence for growth

Unlocking new value through solutions that solve business problems – from cost inflation and labour shortages to emissions reductions, efficiency, and regulatory compliance

Highly secure

New technology capabilities

Advanced AI

Edge processing

Computer vision

Ultra-low latency

Digital trust

Network slicing

Network-as-a-Service

Accurate positioning

Ultra-high capacity

Private networks

IoT

High-tech : Converging solutions

Use cases

Immersive experiences and metaverse

Smart environments

Rich sensoring

Industrial automation

Cloud gaming

Smart logistics

Digital health

Drones and connected robots

Digital hopsitals

Customers

We are not starting from scratch – with presence across multiple sectors

Providing a strong connectivity-based foundation for future growth into higher-value converged solutions

Current IoT use cases

MONITOR INDOORS

- TEMP + HUMIDITY
- OCCUPANCY
- HEALTHY ENVIRONMENT
- ENERGY USE

MONITOR OUTDOORS

- WATER USAGE
- WATER QUALITY
- AIR QUALITY
- VIBRATION
- NOISE
- SOIL
- WEATHER

TRACKING

- ASSET + FLEET
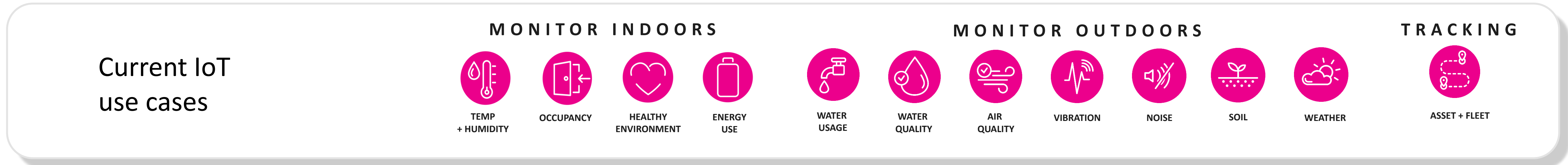
Applied across multiple sectors

		Agriculture	Commercial Facilities	Construction	Health	Public Sector	Transport and logistics
Tracking solutions	○ Asset tracking ○ Fleet tracking	✔	✔	✔	✔	✔	✔
Water solutions	○ Water usage ○ Water quality	✔	✔			✔	
Productivity, safety and indoor monitoring solutions	○ Temperature ○ Occupancy ○ Healthy environments ○ Energy use ○ Parking	✔	✔	✔	✔	✔	✔
Outdoor environmental monitoring solutions	○ Air quality ○ Vibration ○ Noise ○ Soil ○ Fire detection	✔		✔		✔	

Our purpose

TO HELP **ALL OF**

NEW ZEALAND

WIN BIG **IN A DIGITAL WORLD**

Āwhinatia ngā tāngata katoa o Aotearoa kia matomato te tipu i te ao matihiko

Our values

TŪHONO: we connect

WHAKAMANA: we empower

MATOMATO: we succeed together

MĀIA: we are bold

Our FY24-26 focus

We will empower the people and businesses creating Aotearoa's tomorrow by:

Bringing New Zealanders the best digital-first experiences, curated to their needs

Enabling New Zealand Businesses to grow and become more productive and sustainable through technology

LEAD
Mobile

OPTIMISE
Broadband

LEAD
SME and business

GROW
High-tech Solutions

Our enablers

| Next evolution technology | Simple, data-driven organisation | Innovation culture |

Our commitment: to stand together for generations to come

Toitū Sustainability at Spark

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Economic Transformation

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Spark nz

We will focus on a core set of technology capabilities that enable differentiation

Our investment will deliver a leading network for New Zealand and the technologies that enable innovation

Our focus → **Our capabilities** → **Customer outcomes**

Resilient, adaptive and automated

Distributed and unconstrained network

Highly secure

Automated

→ smaller impact zones
→ faster issue resolution
→ customer security
→ meeting growing demand for data

Simplified and sustainable

Exit legacy

Energy efficient

→ future proofed modern and sustainable technologies

New technology development

5G Standalone

Edge capability

Technology convergence

Core unconstrained capacity

→ enabling innovation
→ new ways to solve business problems
→ latest digital experiences

We will deliver next evolution technology that enables a more digital tomorrow

Our technology investment will continue to underpin growth in our consumer and business segments

| What we will do	What it delivers
Resilient, adaptive, and automated ○ Greater diversification – smaller impact zones and orchestrated failover ○ Network automation to enable responsiveness and fixing faults remotely, in real time ○ 7x network capacity	○ Meeting exponential growth in data ○ Restoring customer services quickly ○ Supporting NZ's digital economy growth
Simplified and sustainable ○ PSTN exited ○ 3G exited ○ Customers migrated off legacy to modern technologies	○ Faster, more efficient, future-proof services for our customers ○ 3G refarming supporting 5G rollout
New technology development ○ 5G densification and extension into rural ○ Productionised Standalone and Edge capability ○ Strategic partnerships supporting development ○ Preparation for 6G + productionised use of mm-wave	○ New growth in converged tech ○ Mobile ARPU growth ○ WBB addressable market growth

Sustained investment in cyber security capability

Spark's technology investment is underpinned by robust cyber security capability, operations, and governance

CAPABILITY

- Large security operations, with over 180 security subject matter experts

- People play a critical role in helping to detect and defend against potential cyber security threats

- All Spark people undertake cyber security training, to equip them in identifying and preventing attacks
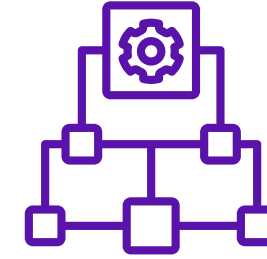
OPERATIONS

- Spark Cyber Security Incident Response Plan guides response to threats

- All Spark services and networks go through multiple security checks during the 'design', 'build', and 'operate' phases

- Invested heavily in threat intelligence platform which curates the latest threat indicators that we correlate across our environments.

- Adopted industry best practice frameworks such as MITRE ATT&CK[1]

- Invested in security automation, orchestration, and machine learning, to stay ahead of always evolving security threats
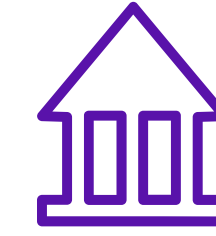
GOVERNANCE

- Chief Information Security Officer (CISO) has security operations responsibility

- Audit and Risk Management Committee of Board has governance responsibility

- Utilise industry best practice frameworks, including ISO27001 and NIST CSF[2]

- Processes independently assured by internal risk and audit function and externally validated by qualified cyber security consultants or auditors

1. A curated knowledge base and model for cyber adversary behaviour 2. National Institute of Standards and Technology Cyber Security Framework

A simple, data-driven organisation

Making it easier and faster for customers to find and purchase products or services that meet their individual needs

What we will do	What it delivers
Personalised omni-channel experiences	

Personalised omni-channel experiences

What we will do:
- Customer *and* household data-driven marketing
- Precision targeting expanded to non-Spark customers
- Greater personalisation across physical and digital channels
- Proactive customer issue resolution

What it delivers:
- Personalised content and relevant offers for customers
- Consistent and leading experiences across physical and digital channels
- Faster and easier issues resolution

B2B simplified and data-driven

What we will do:
- Single view of the customer, proactive churn management
- Simplified portfolios, modern solutions bundled
- A digital service offering and modernised sales model

What it delivers:
- Modern, standardised, future-proof products aligned to business needs
- Spark is easier to do business with
- Issues are resolved quickly

Spark data-driven op model and future business systems

What we will do:
- Data and AI capability extended enterprise-wide
- Automated, modular systems leveraging common technologies
- CRM replaced with modern service orientated architecture

What it delivers:
- Better customer and people experiences
- Risk and spend management
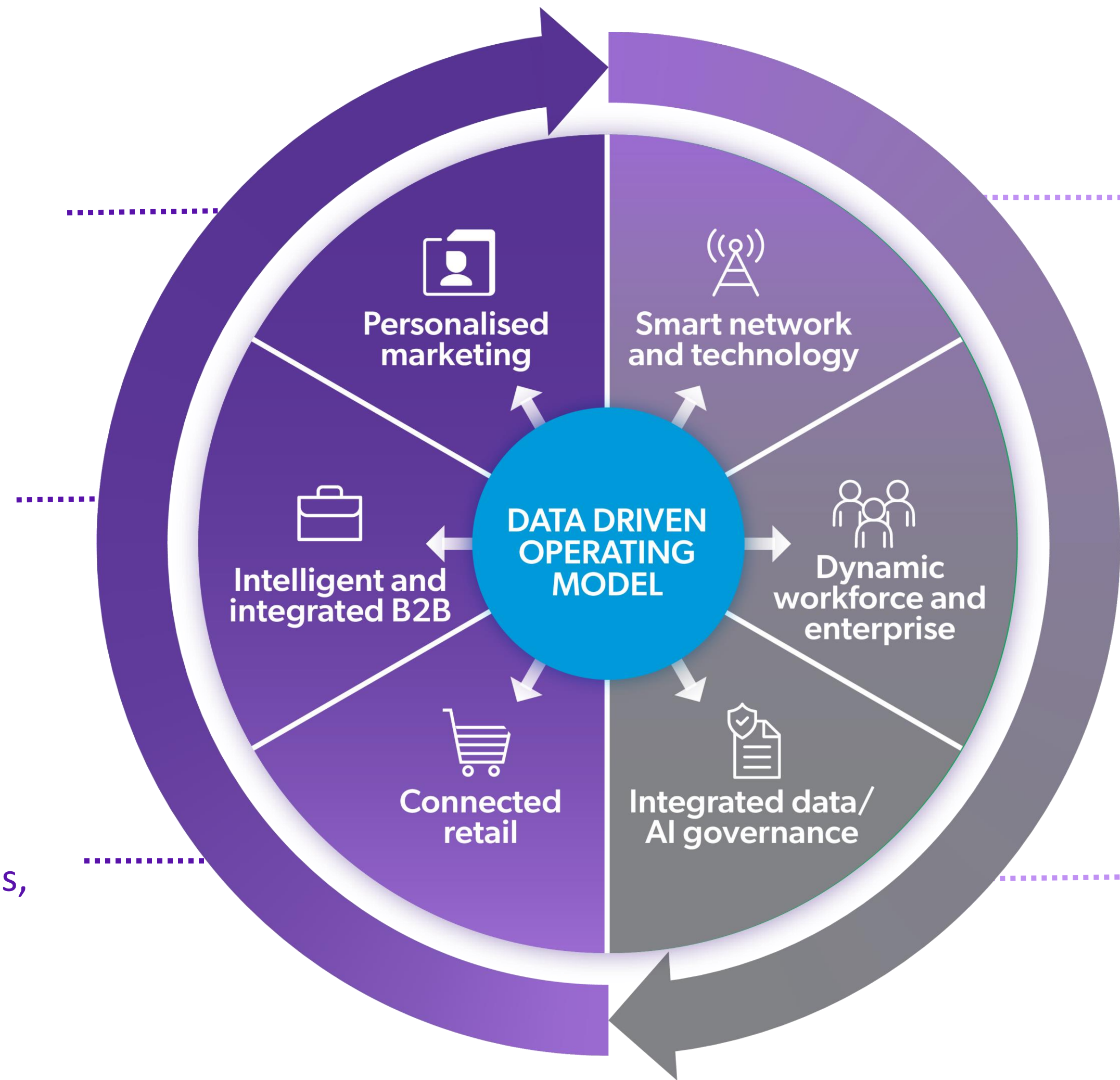- Consistent channel experience

SPARK

To deliver our aspirations, our data capability will be extended enterprise-wide

Delivering revenue generation and efficiency benefits across all markets and Spark-wide

○ Targeting acquisition and retention at highest value households, delivering personalised offers to boost conversion

○ Single view of business customers enabling targeted offers, and ease of doing business with Spark

○ Enhanced product availability, personalised customer experiences, and improved store efficiency

DATA DRIVEN OPERATING MODEL

Personalised marketing

Smart network and technology

Intelligent and integrated B2B

Dynamic workforce and enterprise

Connected retail

Integrated data/ AI governance

○ Understanding customer level network experiences, directing investment to highest returns

○ Advanced workforce planning, improved productivity across the enterprise through automation

○ Continued robust governance and best-practice AI and privacy policies and practices

We will invest in future business systems that support our success in market

Adding further value to our re-engineered systems, with CRM that supports innovation and future growth

○ A platform that supports digital product and services with ICT offerings as a single vertical, vs. telco-centric
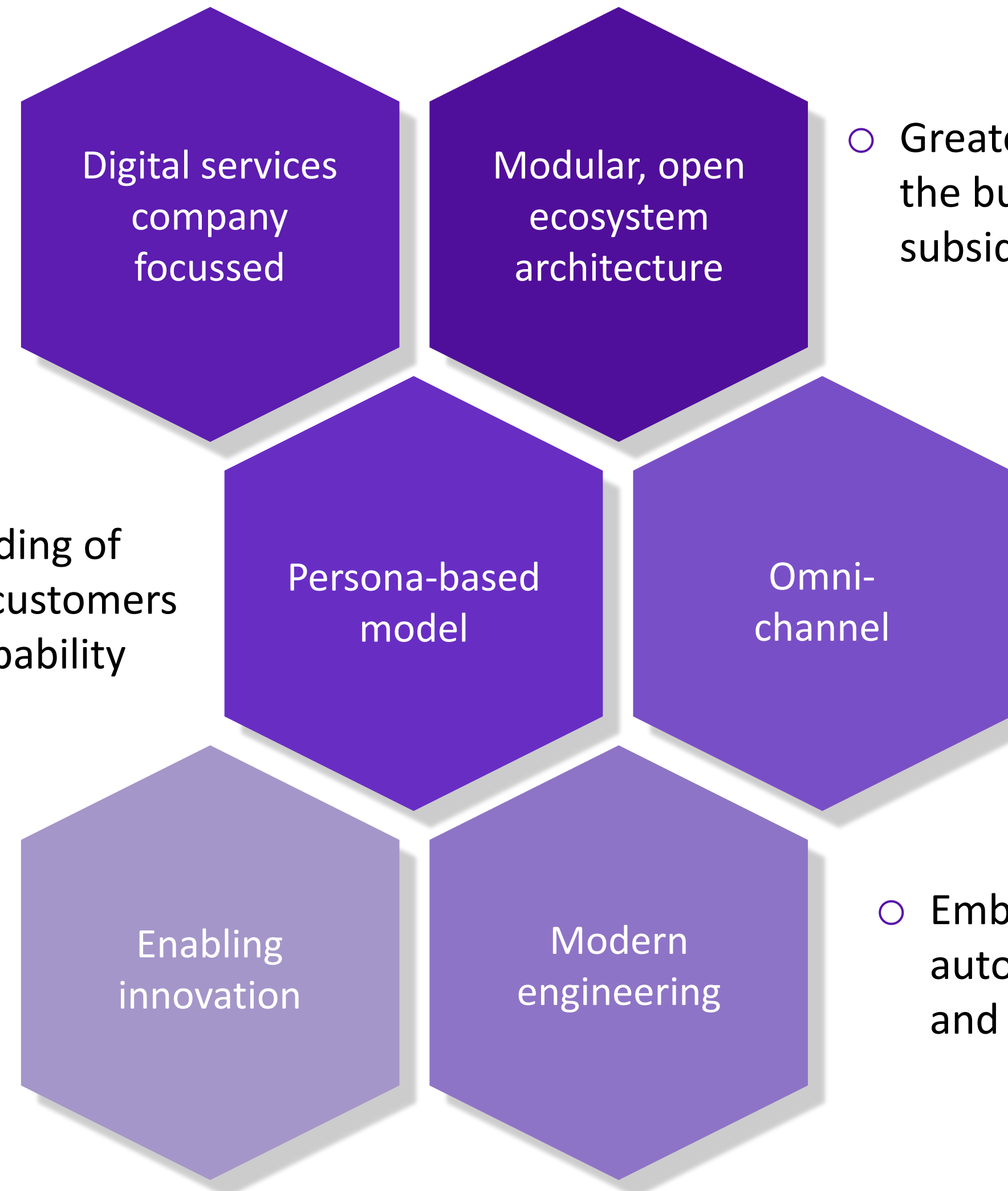
○ Greater interoperability across the business and between subsidiaries and partners

Digital services company focussed

Modular, open ecosystem architecture

○ Deep understanding of individuals and customers through data capability

○ Shared journeys across channels and 'unbundled' CRM enabling best of breed capabilities

Persona-based model

Omni-channel

○ Systems that encourage and enable innovation and automated capability release to market

○ Embedded security, automation first principles, and fast work flows

Enabling innovation

Modern engineering

What will Spark look like in the future?

FRONTLINE AGENT
- I have direct access to customer insights and AI-driven suggested recommendations for the customer
- My customers use the same digital journeys as me, making it faster and easier to help them

EMPLOYEE
- I am attracted to Spark's culture and ways of working
- I can rapidly respond to business needs with innovative and easily scaled ideas
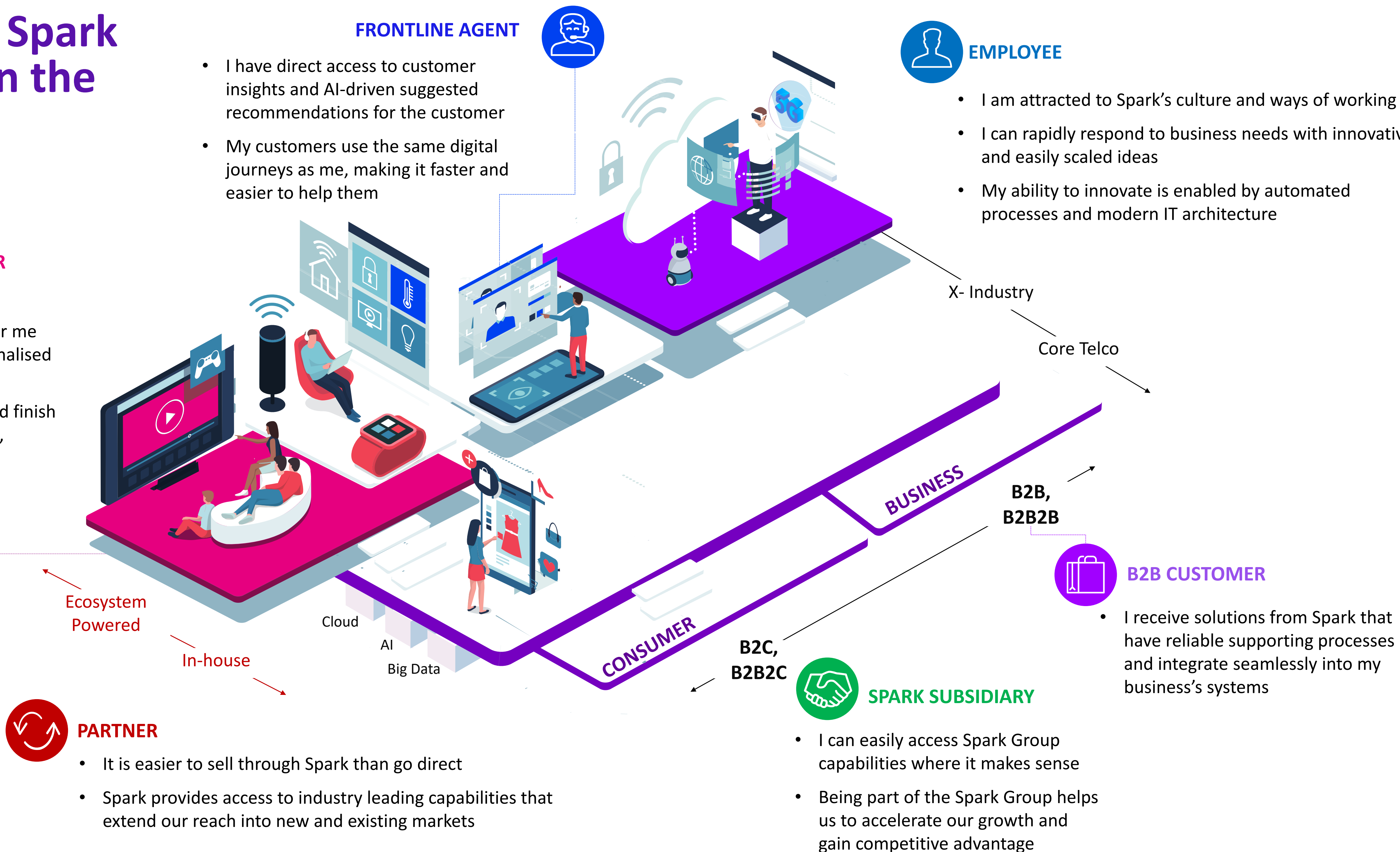- My ability to innovate is enabled by automated processes and modern IT architecture

B2C CUSTOMER
- I trust Spark to offer me relevant and personalised digital experiences
- I can easily start and finish journeys anywhere, anytime, any place

X- Industry

Core Telco

BUSINESS

B2B, B2B2B

B2B CUSTOMER
- I receive solutions from Spark that have reliable supporting processes and integrate seamlessly into my business's systems

Ecosystem Powered

In-house

Cloud

AI

Big Data

CONSUMER

B2C, B2B2C

SPARK SUBSIDIARY
- I can easily access Spark Group capabilities where it makes sense
- Being part of the Spark Group helps us to accelerate our growth and gain competitive advantage

PARTNER
- It is easier to sell through Spark than go direct
- Spark provides access to industry leading capabilities that extend our reach into new and existing markets

Innovation culture will support growth for our people and Spark

Responding to our operating environment with four key focus areas critical to our success

We will provide world-leading people experiences and market success for Spark as Aotearoa changes – with an increasingly older and more diverse population, significant need for upskilling and reskilling, and a tight labour market:
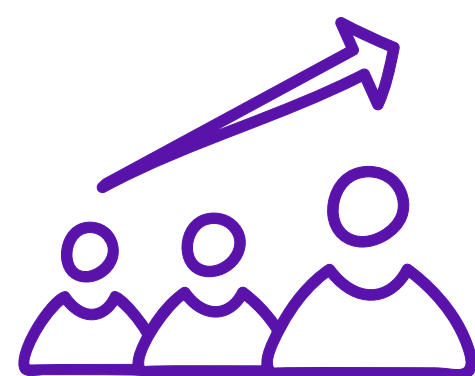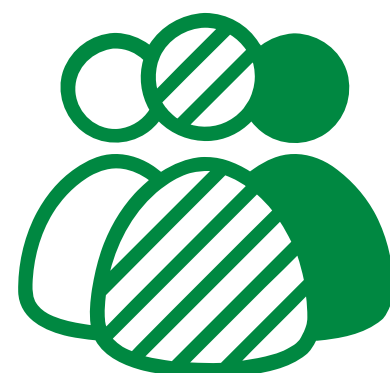
Advanced talent,
skill development,
and inclusive progression
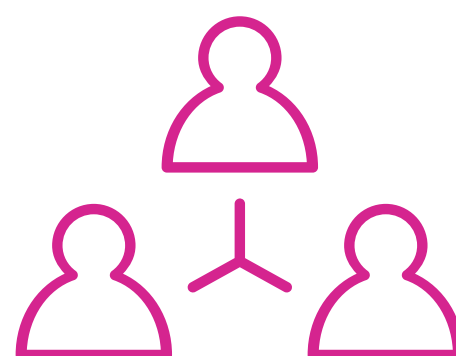
Future ways of working
and insight-led
people experiences

Healthy lives and
safe environments

Diverse and
inclusive culture

We will create a top decile innovation culture

Fueling Spark's growth through highly skilled people and unrivalled people experiences

What we will do	What it delivers

Advanced talent, skill development, and inclusive progression

What we will do:
- Attracting, developing and retaining critical roles
- L&D for growth – innovation, performance, adaptivity
- Ownership of reskilling, progression pathways and pipeline development – Spark Development Incubator

What it delivers:
- Adapting to changing talent needs
- Growing future leaders
- Equipping talent to deliver growth

Future ways of working and insight-led people experiences

What we will do:
- Continue to evolve ways of working
- Using data and insights to co-create differentiated people experiences

What it delivers:
- Group-wide agility
- Flexibility for our people
- Enhanced ability to attract and retain in a competitive market

Healthy lives and safe environments

What we will do:
- Maintain comprehensive 'gold standard' of health, safety and wellbeing management
- Integrated into people experiences, leadership, and ways of working

What it delivers:
- Sustainable and safe work practices for high performance
- High levels of wellbeing

Diverse and inclusive culture

What we will do:
- Data-led goal setting, modelling, and tracking
- Diversity, equity, and inclusion fully integrated across innovation culture focus areas and initiatives

What it delivers:
- A workforce reflective of our diverse country and customer base
- Better outcomes through diversity

We want our culture to reflect and uplift New Zealand's unique heritage

Through Te Korowai Tupu we aim to weave a te ao Māori perspective throughout Kora Aotearoa (Spark NZ)

Te Korowai Tupu is inspired, driven, and led by kawa (protocol), tikanga (process), and kaupapa Māori. It takes the threads of a tangata whenua (indigenous people) world view that can be woven across Kora Aotearoa – into strategies, actions, and values.
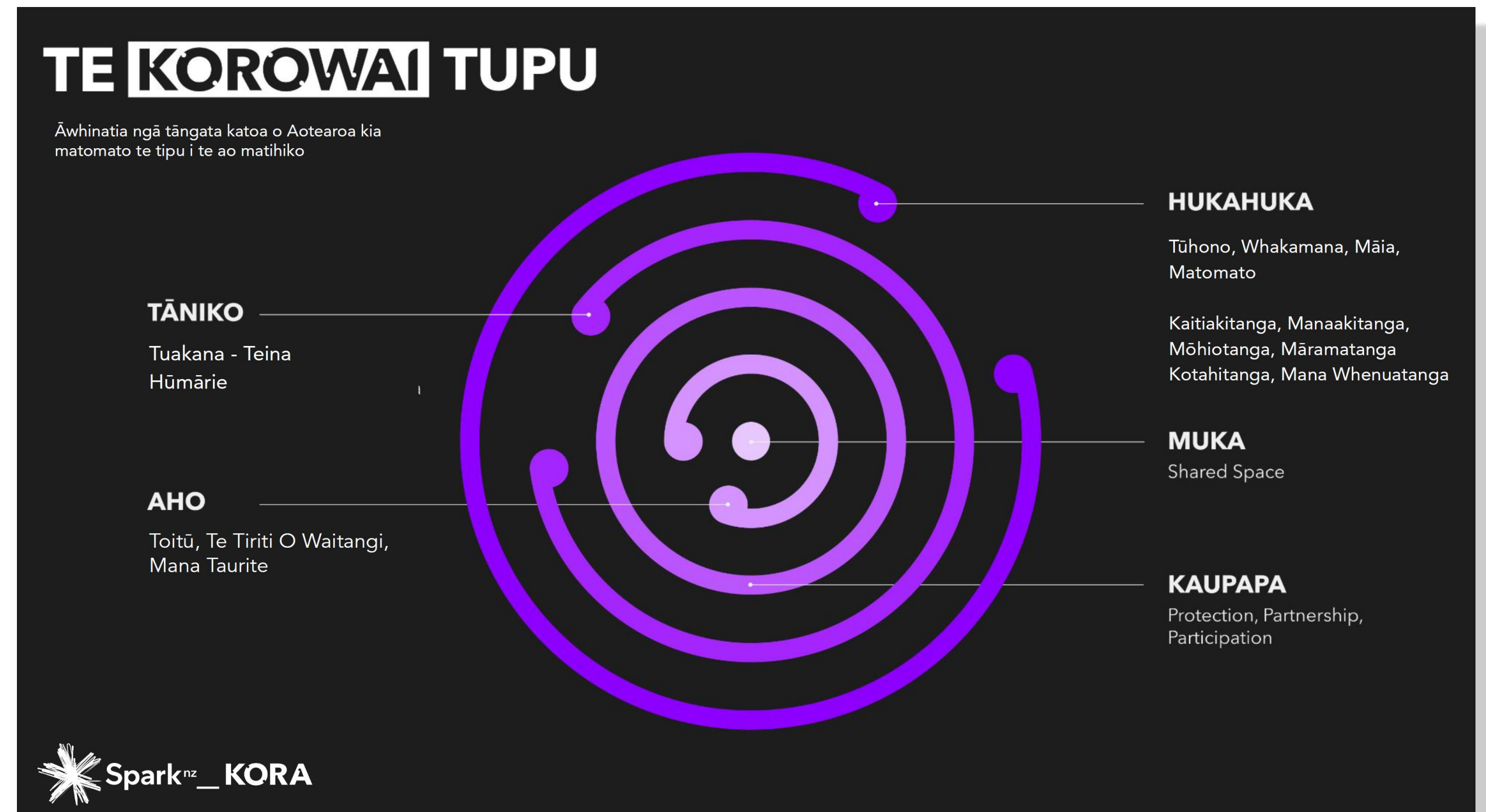
Over the next three years we will focus on:

Meaningful partnerships that deliver great outcomes for Māori

Increasing Māori representation in the technology sector

Focus on Te Tiriti o Waitangi principles of protection, partnership, and participation

Supporting the normalisation of te reo Māori (language) and tikanga Māori (practices)

TE KOROWAI TUPU

Āwhinatia ngā tāngata katoa o Aotearoa kia matomato te tipu i te ao matihiko

TĀNIKO
Tuakana - Teina
Hūmārie

AHO
Toitū, Te Tiriti O Waitangi, Mana Taurite

HUKAHUKA
Tūhono, Whakamana, Māia, Matomato

Kaitiakitanga, Manaakitanga, Mōhiotanga, Māramatanga Kotahitanga, Mana Whenuatanga

MUKA
Shared Space

KAUPAPA
Protection, Partnership, Participation

Spark nz _ KORA

We will continue to pursue sustainable growth

Our three focus areas are enduring, representing the highest materiality to Spark and our stakeholders

	Progress since FY21	FY24-26 focus
Economic Transformation	○ Significant investment in accelerated 5G rollout ○ Ongoing investment in rural connectivity through RCG ○ Research into the role digital technology can play to meet New Zealand's climate challenge	Integrate technology into NZ's climate change planning and enable businesses to become more sustainable through new technologies
Digital Equity	○ Community-led partnerships through Spark Foundation ○ Scaled not-for-profit broadband service Skinny Jump ~150% ○ Spark in top quartile of WBA[1] Digital Inclusion Benchmark	Increase Spark Foundation focus on skills and pathways, while continuing to scale affordable connectivity and integrate digital equity into Spark
Sustainable Spark	○ Science-based target established and linked to funding ○ Enhanced ethical supply chain processes, JAC[2] membership ○ Human Rights Policy established ○ Spark accepted into Dow Jones Sustainability Australia Index	Securing renewable energy supply, energy efficiency programme, annual supplier audits, and ongoing investment in diversity

1. Worldwide Benchmarking Alliance   2. Joint Audit Cooperation

SPARK

TOITŪ SUSTAINABILITY

AT SPARK

Spark nz

	Our commitment	**KPIs**	**Sustainable Development Goals**
Economic Transformation **Empower New Zealand to transform to a high productivity, low carbon economy**	**New technologies:** we will invest in the technologies Aotearoa needs to transform	• Deliver 5G Standalone nationwide by FY26 to enable innovation	7 AFFORDABLE AND CLEAN ENERGY · 8 DECENT WORK AND ECONOMIC GROWTH · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 13 CLIMATE ACTION · 17 PARTNERSHIPS FOR THE GOALS
	Digital infrastructure: we will expand connectivity to more of the places New Zealanders live and work	• Increase 5G connectivity to all towns with a population >1,500 by end FY26	
	Business digitisation: we will support businesses to become more sustainable through technology	• Champion the integration of digital technology into Aotearoa's climate change planning	
Digital Equity **Champion digital equity so all New Zealanders can thrive in a digital future**	**Skills and pathways:** we will focus Spark and Spark Foundation investment on increasing Māori and Pasifika participation in the technology sector	• Increase Māori and Pasifika participation within Spark by 5pp by end FY26[1]	1 NO POVERTY · 4 QUALITY EDUCATION · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES
	Affordability: we will support low income households to participate in the digital world	• Extend the reach of our not-for-profit broadband service Skinny Jump, with YoY growth	
	Products and services: we will increase accessibility and maintain the highest security and privacy standards	• Maintain top quartile position in the Worldwide Benchmarking Alliance's annual Digital Inclusion Benchmark	
Sustainable Spark **Be bold in our business to have a positive impact on our people, the environment, and our communities**	**Our people:** we will invest in the capabilities and wellbeing of our people and champion diversity and inclusion	• Achieve 40:40:20 gender representation at Spark by June 2024 • Spark has a top decile innovation culture by FY26	4 QUALITY EDUCATION · 5 GENDER EQUALITY · 7 AFFORDABLE AND CLEAN ENERGY · 8 DECENT WORK AND ECONOMIC GROWTH · 13 CLIMATE ACTION
	Our environment: we will reduce our impact on the natural environment	• Science based target (SBTi): reduce Scope 1 and 2 emissions 56% from FY20-FY30 and ensure 70% of our suppliers by spend[2] have SBTi-aligned targets in place by 2026	
	Governance: we will operate a responsible and ethical business and supply chain	• Maintain top quartile benchmark in the annual Corporate Sustainability Assessment • Complete five JAC[3] aligned supplier location audits annually	

TŪHONO: we connect   **WHAKAMANA:** we empower   **MATOMATO:** we succeed together   **MĀIA:** we are bold

1. Excluding subsidiaries 2. Covering purchased goods and services and capital goods 3. Joint Audit Cooperation

Our purpose

TO HELP **ALL OF**
NEW ZEALAND
WIN BIG **IN A DIGITAL WORLD**

Āwhinatia ngā tāngata katoa o Aotearoa kia
matomato te tipu i te ao matihiko

Our values

TŪHONO: we connect

WHAKAMANA: we empower

MATOMATO: we succeed together

MĀIA: we are bold

Sparknz

Our FY24-26 focus

We will empower the people and businesses creating Aotearoa's tomorrow by:

Bringing New Zealanders the best digital-first experiences, curated to their needs

LEAD
Mobile

OPTIMISE
Broadband

Enabling New Zealand Businesses to grow and become more productive and sustainable through technology

LEAD
SME and business

GROW
High-tech Solutions

Our enablers

| Next evolution technology | Simple, data-driven organisation | Innovation culture |

Our commitment: to stand together for generations to come

Toitū Sustainability at Spark

Economic Transformation

Digital Equity

Sustainable Spark

Te Korowai Tupu

Our Māori Strategy

Our FY26 outcomes

| **Low / mid single digit CAGR** EBITDAI growth | **>10%** Free cash flow growth | **+10 lift** Customer engagement | **Top decile** People engagement | **Top quartile** Sustainability benchmarking |

Our plan for long term value creation

We will create long term value for our shareholders through five key focus areas
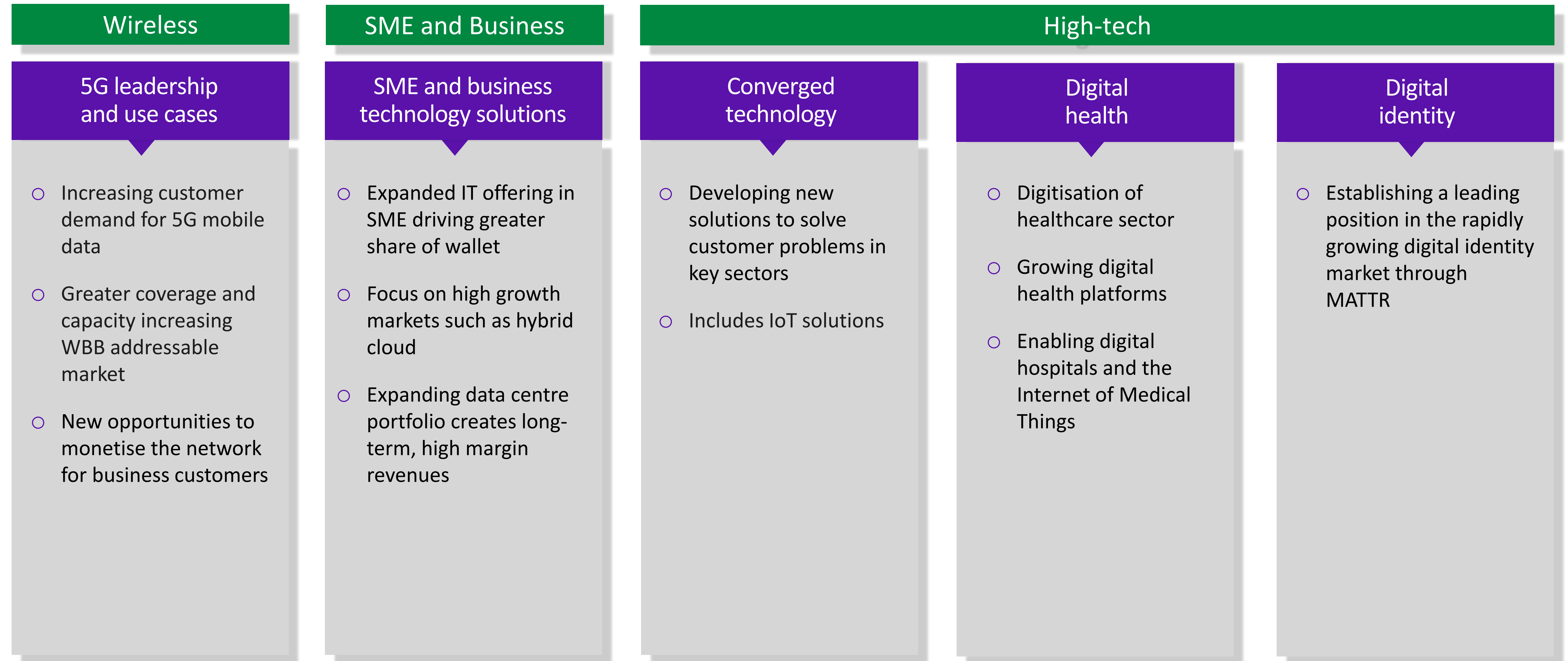
Revenue growth	Operating efficiency	Invest for long-term growth	Free cash flow generation	Disciplined capital management

We will target revenue growth of 2-4% p.a. through five key drivers

Delivering full-service offerings that create a portfolio effect to further grow revenue

Wireless	SME and Business	High-tech		
5G leadership and use cases	**SME and business technology solutions**	**Converged technology**	**Digital health**	**Digital identity**
○ Increasing customer demand for 5G mobile data ○ Greater coverage and capacity increasing WBB addressable market ○ New opportunities to monetise the network for business customers	○ Expanded IT offering in SME driving greater share of wallet ○ Focus on high growth markets such as hybrid cloud ○ Expanding data centre portfolio creates long-term, high margin revenues	○ Developing new solutions to solve customer problems in key sectors ○ Includes IoT solutions	○ Digitisation of healthcare sector ○ Growing digital health platforms ○ Enabling digital hospitals and the Internet of Medical Things	○ Establishing a leading position in the rapidly growing digital identity market through MATTR

We will target gross cost reductions of $125m-$175m by FY26[1]

Simplification, automation, digitising customer journeys, and growing wireless broadband will underpin our efficiency

	Simplify the business	Automate core services	Digitise customer experiences	Create owners economics
Next evolution technology	○ Reduce and exit legacy (e.g. PSTN, legacy data, 3G)	○ Implement virtual telco cloud infrastructure ○ Network deployment and management		○ Invest in 5G capacity ○ Invest in access and aggregation network ○ Shared tower infrastructure driving medium term efficiency
Simple, data-driven organisation	○ Simplify business products ○ Modern tooling drives efficiency in customer service delivery	○ Extend marketing automation to SME and B2B segments ○ Back office automation	○ Improve digital journeys ○ Single view of the customer across all channels	○ Drive 5G WBB uptake through data-driven marketing
Innovation culture		○ Invest in our people to grow data, digital, and innovation capabilities		
	Reduced product costs, labour efficiency, and improved customer experiences	Labour efficiency and improved people and customer experiences	Labour efficiency, higher product density, and lower churn driving higher revenue	Reduced input costs and improved customer experiences

1. Includes avoided costs. Spark may choose to reinvest some cost savings

We will continue to invest for long term growth

TowerCo proceeds enable investment in assets that will generate long-term incremental returns

Growth capex funded via $350m of TowerCo proceeds

Data Centres $250-300m

Investment in digital infrastructure creating resilient revenues and earnings:

o An additional 13-17[1] MW by FY26 plus land of ~20% of total value, subject to meeting investment criteria – additional to the purpose-built site at Takanini (11[1] MW, completing in mid-2023), and Mayoral Drive facility enhancements

o Targeting RoI of 9-10%

o Revenues to commence from building completion and scale over time as utilisation grows

Mobile and Edge Technology $40-60m

Accelerating wireless performance to expand the addressable market:

o 5G Standalone foundations and multi-access edge compute

o Targeting RoI of ~10%

o Revenues to commence late FY25 and into FY26

Underlying capex and spectrum

o Capex (ex. TowerCo proceeds) to be maintained at 10-11% of revenues to support core business and fund investment into digital identity, IoT, and data automation

o Spectrum investment underpins growth ambitions, including previously announced c-band spectrum rights

1. Total site capacity

Our investment is guided by our Capital Management Framework

Focussed on maximising shareholder value, fueling growth, and maintaining financial strength and flexibility

1 — Maximising shareholder value

- Growing dividends via growth in earnings and sustainable free cash flow
- Dividend Policy: pay-out ratio of ~80-100% of free cash flow[1] on a long run basis, with annual guidance expressed on a cents per share basis
- Returning excess capital to shareholders using capital management options (e.g. on-market buybacks, special dividends)

2 — Investing for growth

- Investing to sustain and grow the business organically
- Investing for growth via mergers and acquisitions that are EPS accretive over time

3 — Maintaining financial strength and flexibility

- Ongoing disciplined management of working capital to improve cash flow
- Committed to maintaining an appropriate investment grade credit rating

Key principles for investing in growth

- Strategic alignment
- NPV positive
- ROI greater than Spark's hurdle rate in years 3-5
- Long run capex to revenue ~10-11%[2]

1. FCF defined as EBITDAI less tax paid, interest paid, maintenance capex (pre growth and spectrum capex), lease payments and pre any movements in working capital
2. Excluding any spectrum purchases and renewals

We will continue to invest in line with this framework

Investing for growth in the long-term, while growing dividends in the nearer term

Maximise shareholder value

- o Revenue growth combined with operating efficiency will generate EBITDAI and free cash flow growth

- o Aspiration to grow dividend in line with free cash flow

Invest for growth

- o Capex envelope when combined with TowerCo proceeds is sufficient to support delivery of the three year strategy and incremental growth opportunities

- o Continue to evaluate acquisition opportunities against the following criteria:
  - o Generates returns consistent with the capital management framework (EPS accretive over time)
  - o Provides new or enhanced capabilities
  - o Accelerates growth in existing product and service lines
  - o Delivers new revenue streams in strategically aligned markets

Maintain financial strength and flexibility

- o Committed to an investment grade credit rating

- o Net debt expected to increase over time as we invest in long-term growth and return funds to shareholders, but not exceed S&P's adjusted net debt (which includes leases) to EBITDAI ratio of 1.7 times

Our financial aspirations by FY26

Built on a foundation of better experiences for our customers and people and a sustainable Spark

| **Revenue** | o Aspiring to top-line revenue growth of 2-4% p.a. |
| | o $100-150m revenue growth from high tech solutions[1] by FY26 |

| **EBITDAI** | o Growing EBITDAI, through top-line revenue growth and disciplined cost management (low/mid-single digit CAGR to FY26) |

| **Capex** | o Investing at 10-11% of revenues, with TowerCo proceeds creating the platform for incremental revenue and earnings growth |

| **Free Cash Flow** | o Aspire to free cash flow growth of >10% by FY26 |

| **Dividends** | o Growing earnings and sustainable free cash flow will lead to growing dividends, generating top decile shareholder returns |

1. High tech solutions, include Converged Tech, IoT, Digital Health, Digital Identity, Qrious
Note – FY24 -FY26 financial aspirations are not guidance. Annual guidance will be provided for each year at the FY Results briefing

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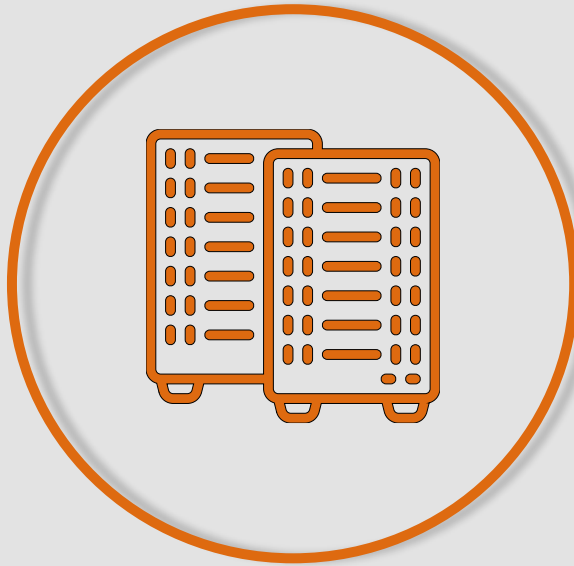# Where we aspire to be by FY26

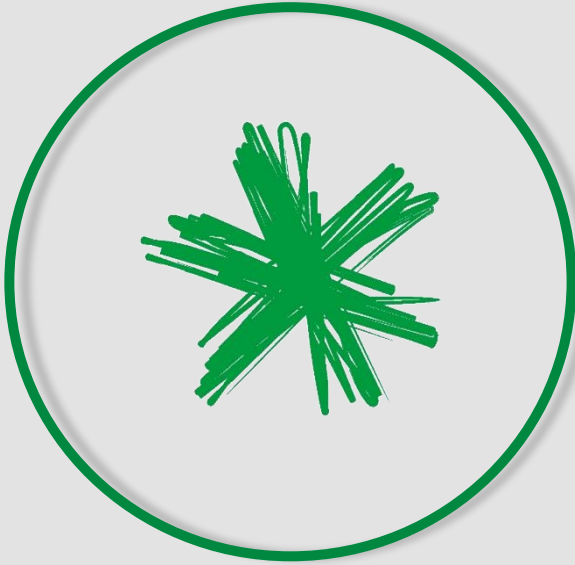Market differentiation supporting continued sustainable growth

Digital and
data-driven,
everywhere

Home of
high-tech
solutions

Digital
infrastructure
fuelling growth

Innovative,
diverse, and
sustainable

Delivery of these aspirations will result in highly engaged customers and people,
profitable growth, and top decile returns
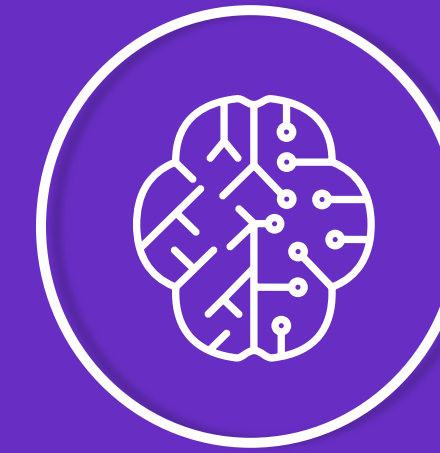
The value proposition for investing in Spark

Growing differentiation and top-line revenues to deliver sustainable earnings growth and shareholder returns

Increasing demand for data driving growth in key mobile market

Future revenue growth in high-tech segments

Competitive advantage through data and resilient digital infrastructure

Best-in-class cost control with high EBITDAI margin

Portfolio management supporting shareholder returns and capital investment

Sustainable EBITDAI and FCF growth supporting a rising dividend over time

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NGĀ MIHI NUI

THANK YOU

Disclaimer

This announcement may include forward-looking statements regarding future events and the future financial performance of Spark New Zealand. Such forward-looking statements are based on the beliefs of and assumptions made by management along with information currently available at the time such statements were made.

These forward-looking statements may be identified by words such as 'guidance', 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'plan', 'may', 'could', 'ambition', 'aspiration' and similar expressions. Any statements in this announcement that are not historical facts are forward-looking statements. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond Spark New Zealand's control, and which may cause actual results to differ materially from those projected in the forward-looking statements contained in this announcement.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements are discussed herein and also include Spark New Zealand's anticipated growth strategies, Spark New Zealand's future results of operations and financial condition, economic conditions and the regulatory environment in New Zealand, competition in the markets in which Spark New Zealand operates, risks related to the sharing arrangements with Chorus, any impacts or risks to Spark's anticipated growth strategies, future financial condition and operations, economic conditions or the regulatory environment in New Zealand arising from or otherwise with Covid-19, other factors or trends affecting the telecommunications industry generally and Spark New Zealand's financial condition in particular and risks detailed in Spark New Zealand's filings with NZX and ASX. Except as required by law or the listing rules of the stock exchanges on which Spark New Zealand is listed, Spark New Zealand undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

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