



MARKET RELEASE – Thursday, 7 March 2024

Spark Finance releases Final Term Sheet for retail bond offer

Further to Spark Finance Limited's announcement earlier today, the final terms sheet relating to its issue of two series of unsecured, unsubordinated fixed rate bonds has been provided to the NZX with this announcement.

For further details investors can contact one of the Joint Lead Managers (details below), or their usual financial advice provider.

Joint Lead Managers

ANZ: 0800 269 476

CBA: 0800 272 266

Westpac: 0800 772 142

- ENDS -

Authorised by:

Chante Mueller

Head of Investor Relations & Insurance

For more information please contact:

For media queries:

Althea Lovell

Corporate Relations Lead Partner

(64) 21 222 2992

althea.lovell@spark.co.nz

For investor queries:

Chante Mueller

Head of Investor Relations & Insurance

(64) 27 469 3062

chante.mueller@spark.co.nz

About Spark

As New Zealand's largest telecommunications and digital services company, Spark's purpose is to help all of New Zealand win big in a digital world. Spark provides mobile, broadband, and digital services to millions of New Zealanders and thousands of New Zealand businesses.

www.sparknz.co.nz

Spark Finance Limited

Spark City, 167 Victoria Street West, Private Bag 92028, Auckland, New Zealand

FINAL TERMS SHEET

Spark Finance Limited

**Final Terms Sheet
dated 7 March 2024**

Fixed Rate Bonds across two series:

- NZ\$125,000,000 5.5 year bond maturing on 18 September 2029
- NZ\$175,000,000 7.5 year bond maturing on 18 September 2031

ARRANGER AND JOINT LEAD MANAGER:



JOINT LEAD MANAGERS:



Commonwealth Bank



Spark Finance Limited Final Terms Sheet

Important notice

This Terms Sheet sets out the key terms of an offer by Spark Finance Limited ("**SFL**") for fixed rate bonds ("**Bonds**") in two separate series:

- the first series is a NZ\$125,000,000 5.5 year Bond maturing on 18 September 2029 ("**2029 Bonds**"); and
- the second series is a NZ\$175,000,000 7.5 year Bond maturing on 18 September 2031 ("**2031 Bonds**").

Each series of Bonds will be issued under a master trust deed dated 25 October 1988 (as most recently amended and restated on 4 November 2015) ("**Trust Deed**") between Spark New Zealand Limited ("**Spark NZ**") and The New Zealand Guardian Trust Company Limited ("**Supervisor**") and a supplemental trust deed in respect of the series dated 5 March 2024 entered into between SFL, Spark NZ and the Supervisor (together with the Trust Deed, the "**Trust Documents**").

The offer of Bonds by SFL is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("**FMCA**").

The offer contained in this Terms Sheet is an offer of two series of Bonds, each of which have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as SFL's:

- bonds maturing on 7 March 2024 which have an interest rate of 3.37% and which are currently quoted on the NZX Debt Market under the ticker code SPF580; and
- bonds maturing on 7 September 2026 which have an interest rate of 3.94% and which are currently quoted on the NZX Debt Market under the ticker code SPF570,

(together the "**Quoted Bonds**").

Accordingly, the Bonds are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

SFL is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("**NZX**") for the purpose of that information being made available to participants in the market. That information can be found by visiting www.nzx.com/companies/SPF.

The Quoted Bonds are the only debt securities of SFL that are currently quoted and in the same class as the Bonds.

Investors should look at the market price of the Quoted Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

Spark Finance Limited Final Terms Sheet

Issuer	Spark Finance Limited (" SFL ")		
Guarantors	<p>Spark New Zealand Limited ("Spark NZ") and the other Guaranteeing Group Members from time to time (as defined in the Trust Deed)</p> <p>As at the date of this Terms Sheet, the Guaranteeing Group Members are SFL, Computer Concepts Limited, Revera Limited, Spark NZ, Spark New Zealand Trading Limited, TCNZ (United Kingdom) Securities Limited, Telecom Enterprises Limited and Telecom Pacific Limited</p>		
Guarantee	The principal amounts of, and interest due on, the Bonds are jointly and severally guaranteed by the Guaranteeing Group Members on an unsecured basis in accordance with the Trust Deed		
Status	The Bonds will constitute unsecured, unsubordinated indebtedness obligations of the Issuer and rank equally and without any preference or priority among themselves and at least equally with all other unsecured, unsubordinated indebtedness of the Issuer, except indebtedness preferred by law		
Arranger	ANZ Bank New Zealand Limited		
Joint Lead Managers	ANZ Bank New Zealand Limited, Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch) and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)		
Instrument	Fixed Rate Bonds		
Purpose	General corporate purposes, including the refinancing of the SPF580 bonds which mature on 7 March 2024		
Issue Amount	2029 Bonds	2031 Bonds	
	NZ\$125,000,000	NZ\$175,000,000	
Credit Ratings			Spark NZ Credit Rating
			Bond Credit Rating
	S&P Global Ratings	A-/Stable	A-
A rating is not a recommendation by any rating organisation to buy, sell or hold Bonds and may be subject to suspension, revision or withdrawal at any time by the assigning rating organisation			
Opening Date	Tuesday, 5 March 2024		
Closing Date	11:00 a.m. (New Zealand time) on Thursday, 7 March 2024		

Spark Finance Limited Final Terms Sheet

Rate Set Date	Thursday, 7 March 2024	
Issue Date/Allotment Date	Monday, 18 March 2024	
Expected Date of Initial Quotation and Trading on NZX Debt Market	Tuesday, 19 March 2024	
Maturity Date	2029 Bonds	2031 Bonds
	18 September 2029	18 September 2031
Interest Rate	2029 Bonds	2031 Bonds
	5.21 per cent per annum	5.45 per cent per annum
	The Interest Rate for each series is the sum of the relevant Base Rate plus the relevant Issue Margin. Interest will accrue from the Issue Date of the Bonds	
Base Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the relevant Maturity Date as calculated by the Joint Lead Managers on the Rate Set Date in accordance with market convention with reference to Bloomberg page ICNZ4 (or any successor page) and expressed on a quarterly basis, rounded to 2 decimal places if necessary, with 0.005 being rounded up	
Issue Margin	2029 Bonds	2031 Bonds
	0.85 per cent per annum	1.10 per cent per annum
Issue Price	NZ\$1.00 per Bond	
Interest Payments	Interest will be payable quarterly in arrear in four equal payments. Interest paid on the Bonds will be paid to the registered holder on the relevant Record Date	
Interest Payment Dates	18 March, 18 June, 18 September and 18 December each year up to and including the relevant Maturity Date, commencing on 18 June 2024	
Business Day Convention	Following Business Day (unadjusted)	

Spark Finance Limited Final Terms Sheet

Settlement Price Formula	Reserve Bank of New Zealand ("RBNZ") pricing formula	
ISIN	2029 Bonds	2031 Bonds
	NZSPFD0590L3	NZSPFD0600L0
NZX Quotation	SFL will take any necessary steps to ensure that each series of Bonds is, immediately after issue, quoted. Application has been made to NZX for permission to quote each series of Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the Financial Markets Conduct Act 2013	
NZX Debt Market Ticker Code	2029 Bonds	2031 Bonds
	SPF590	SPF600
Record Date	10 days before the Interest Payment Date or, if not a Business Day, the immediately preceding Business Day	
Business Days	Auckland, Wellington	
Minimum Subscription Amount	Minimum subscription amount of NZ\$5,000 with multiples of NZ\$1,000 thereafter. The minimum subscription amount applies separately in respect of each series	
Transfer Restrictions	No transfer may be made if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds of a series with a principal amount of less than NZ\$5,000 (other than zero) or not in multiples of NZ\$1,000	
No Underwriting	The offer contained in this Terms Sheet is not underwritten	
Brokerage	You are not required to pay brokerage or any charges to SFL in relation to applications under the offer contained in this Terms Sheet. However, you may have to pay brokerage to the firm from whom you receive an allocation of the Bonds	
Registrar and Paying Agent	Link Market Services Limited	
	The Bonds will be accepted for settlement within the NZClear system	
Supervisor	The New Zealand Guardian Trust Company Limited	
Documentation	This Terms Sheet and the Trust Documents	
Repo Eligibility	SFL intends to apply to the RBNZ for the Bonds to be included as eligible securities for domestic market operations	
Further Bonds	SFL is able to issue further series of bonds without the consent of Holders on such terms and conditions (not being inconsistent with the provisions contained in the Trust Deed) as SFL may from time to time determine	

Spark Finance Limited Final Terms Sheet

Early Repayment	Holders have no right to require SFL to redeem their Bonds prior to the relevant Maturity Date, except if an Event of Default occurs (as described below)
Events of Default	<p>The Events of Default are contained in clause 15.1 of the Trust Deed. They include a failure by SFL to make a payment on bonds issued by it under the Trust Deed and a breach by SFL or a Guarantor of a provision in the Trust Deed or the Bonds (subject in each case to applicable grace periods), and also insolvency-type events that affect SFL or a Guarantor</p> <p>If an Event of Default occurs, subject to the Trust Deed the Supervisor may in its discretion, and must upon being directed to do so in accordance with the Trust Deed by holders of bonds issued under the Trust Deed, declare the Bonds to be immediately due and payable at their principal amount together with accrued but unpaid interest (subject to any deduction for or on account of tax)</p> <p>The above is a summary of the Events of Default. For full details of the Events of Default, see clause 15.1 of the Trust Deed</p>
Financial Covenants	<p>There are no financial covenants in the Trust Documents other than the Guaranteeing Group coverage ratios described below</p> <p>Under the Trust Deed, Spark NZ must ensure that the Guaranteeing Group (being SFL and the Guarantors) meets the following coverage ratios, which are to be tested twice yearly:</p> <ul style="list-style-type: none">• earnings (calculated before interest and tax) of the Guaranteeing Group must be at least 90% of earnings (calculated before interest and tax) of the Spark NZ consolidated group; and• the total tangible assets of the Guaranteeing Group (excluding balances with other members of the Spark NZ consolidated group) must be at least 70% of total tangible assets of the Spark NZ consolidated group <p>For full details of these provisions, see clause 12.8 of the Trust Deed</p>
Negative Pledge	<p>Each Guaranteeing Group member has agreed with the Supervisor that, while any bonds issued under the Trust Deed remain outstanding, none of its assets will be secured. Notwithstanding this restriction, the Guaranteeing Group is permitted to create security, or permit security to exist, over their assets, if:</p> <ul style="list-style-type: none">• the aggregate principal amount secured does not exceed 5% of the total tangible assets of the Spark NZ consolidated group; or• in certain other limited circumstances set out in the Trust Deed (namely, if the security arises by operation of law, relates to the acquisition of an asset or a project, is already in existence when the relevant asset was acquired, supplements or substitutes an existing permitted security or is made in favour of, or with the consent of, the Supervisor) <p>For full details of these provisions, see clauses 11.2 and 11.3 of the Trust Deed</p>
Governing Law	New Zealand

Spark Finance Limited Final Terms Sheet

How to Apply

All of the Bonds of both series offered under the offer (including any oversubscriptions) contained in this Terms Sheet have been reserved for subscription by clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries, and will be allocated to those persons by SFL in consultation with the Joint Lead Managers

There is no public pool for the offer. Retail investors should contact any primary market participant for details as to how they may acquire the Bonds. You can find a primary market participant by visiting www.nzx.com/services/market-participants/find-a-participant

Each investor's financial adviser will be able to advise them as to what arrangements will need to be put in place for them to trade the Bonds, including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place

Contact Details

Issuer	Spark Finance Limited Level 2, Spark City 167 Victoria Street West Auckland 1010	Legal Advisers to the Issuer	Russell McVeagh Level 24 157 Lambton Quay Wellington 6011
Registrar and Paying Agent	Link Market Services Limited Level 30, PwC Tower 15 Customs Street West Auckland 1010	Arranger and Joint Lead Manager	ANZ Bank New Zealand Limited Level 26, ANZ Centre 29 Albert Street Auckland 1010
Supervisor	The New Zealand Guardian Trust Company Limited Level 2, Perpetual Guardian House 99 Customhouse Quay Wellington 6140	Joint Lead Managers	Commonwealth Bank of Australia (ABN 48 123 123 124) (acting through its New Zealand branch) Level 6, ASB North Wharf 12 Jellicoe Street Auckland 1010 Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) Level 8, 16 Takutai Square Auckland 1010

Spark Finance Limited Final Terms Sheet

Selling Restrictions

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and:

- in the case of Australia, in conformity with the specific selling restrictions set out below; or
- in the case of any other country or jurisdiction, with the prior consent of SFL.

This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions contained in this Terms Sheet.

This Terms Sheet does not constitute an offer of securities for sale in the United States or to, or for the account or benefit of, **"US Persons"** (as defined in Regulation S under the US Securities Act of 1933 (the **"US Securities Act"**)) and may not be sent to or disseminated in, directly or indirectly, the United States or to any US Person in any place. The Bonds have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in the United States or to, or for the benefit of, any US Person except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the securities laws of any state or any other jurisdiction in the United States.

Set out below are specific selling restrictions that apply to an offer of the Bonds in Australia. These selling restrictions do not apply to an offer of the Bonds in New Zealand.

The selling restrictions in this Terms Sheet may be modified by SFL and the Joint Lead Managers, including following a change in a relevant law, regulation or directive. Persons into whose hands this Terms Sheet comes are, and each Holder is, required by SFL and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expense.

By purchasing Bonds, each Holder agrees to indemnify SFL, the Supervisor, the Arranger, the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, liability or expense sustained or incurred as a result of the Holder breaching the selling restrictions contained in this Terms Sheet.

Spark Finance Limited Final Terms Sheet

Selling Restrictions - Australia

This Terms Sheet (a) does not constitute a prospectus, product disclosure statement or any other "disclosure document" for the purposes of the *Corporations Act 2001* of the Commonwealth of Australia ("**Corporations Act**"); (b) does not purport to include the information required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the *Corporations Act*; (c) has not been, nor will it be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory body or agency in Australia; and (d) may not be provided in Australia other than to select investors who are able to demonstrate that they (i) are either a "sophisticated investor" or "professional investor" within the meaning of sections 708(8) and (11) of the *Corporations Act*, respectively, to whom an offer may be made without disclosure under Part 6D.2 of the *Corporations Act*; and (ii) are "wholesale clients" for the purpose of section 761G of the *Corporations Act*, such that disclosure to them is not required under Part 6D.2 and Part 7.9 of the *Corporations Act* (collectively "**Exempt Investors**").

The Bonds may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Bonds may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Bonds may be distributed, received or published in Australia, except to Exempt Investors or where disclosure to investors otherwise is not required under Part 6D.2 and Part 7.9 of the *Corporations Act* and otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Bonds, each purchaser or subscriber of Bonds in Australia represents and warrants to SFL, the Joint Lead Managers and their respective affiliates that such purchaser or subscriber is an Exempt Investor.

Prospective investors should not construe anything in this Terms Sheet as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the *Corporations Act*. As any offer of Bonds under this Terms Sheet, any supplement accompanying this Terms Sheet or any other document will be made without disclosure in Australia under Part 6D.2 and Part 7.9 of the *Corporations Act*, the offer of those Bonds for resale in Australia within 12 months after their issue may, under the *Corporations Act*, require disclosure to investors if none of the exemptions in the *Corporations Act* applies to that resale. By applying for the Bonds each purchaser or subscriber of Bonds undertakes to SFL and the Joint Lead Managers that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Bonds, offer, transfer, assign or otherwise alienate those Bonds, or grant, issue or transfer interests in or options over them, to investors in Australia except in circumstances where disclosure to investors is not required under the *Corporations Act* or where a compliant disclosure document is prepared and lodged with ASIC.

Spark Finance Limited Final Terms Sheet

Arranger and Joint Lead Managers Important Information

The Arranger and the Joint Lead Managers and their respective directors, officers, employees and agents:

- (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet;
- (b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet; and
- (c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Bonds.

This Terms Sheet does not constitute financial advice or a recommendation from the Arranger or the Joint Lead Managers or any of their respective directors, officers, employees, agents or advisers to purchase any Bonds.

You must make your own independent investigation and assessment of the financial condition and affairs of SFL before deciding whether or not to invest in the Bonds.

Other information about the offer

SFL reserves the right to cancel the offer contained in this Terms Sheet and the issue of the Bonds.

The terms and conditions of the Bonds are set out in the Trust Documents. Holders are bound by, and are deemed to have notice of, the Trust Documents. Copies of the Trust Documents can be obtained on request to the Registrar or SFL at the addresses set out above (or such other addresses as may be notified to Holders).

It is important that before making any investment decision, investors give consideration to the suitability of an investment in the Bonds in light of their individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

For personal use only