

MARKET RELEASE

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CCL divests network services business assets, continues focusing on cloud and ICT

Spark has today announced that Computer Concepts Limited (CCL), Spark New Zealand's wholly owned provider of cloud and ICT services, has signed a conditional agreement to divest the operational parts of its network services division in a buy-out by a member of the CCL management team. Mark Jurgeleit, CCL's current general manager of network services will set up the network services division as a new business called Octave.

CCL and Spark will retain all existing contracted client relationships and CCL will engage Octave as a sub-contractor to deliver network services. As such, existing CCL network services customers won't experience any disruption or change.

The decision to sell the network services division is consistent with CCL's shift to a simpler operating model following its brand merger with Spark's wholly owned cloud business, Revera, in February 2019, explains Andrew Allan, CEO of CCL. "As part of the Spark business, CCL currently has areas of overlapping investment within network services and capabilities that already exist in the Spark Group. Consequently, despite divesting this division, the breadth of CCL's end-to-end services remains unchanged – and we will continue to offer our clients the full suite of network services."

Allan explains that this divestment will allow the CCL business to deepen its focus on growing its multi-cloud and ICT services. "By selling CCL's network services business assets to Octave, a standalone business that will still work closely with us, we will continue to benefit from a tightly integrated network business while freeing up our resources to focus on delivering Spark's wider cloud services strategy."

All existing permanent CCL network services employees will be offered the opportunity to move to Octave, which will initially continue to operate out of CCL premises. CCL will retain the majority of its business, which provides full spectrum cloud and ICT services with the support of over 700 employees.

Mark Jurgeleit, the new owner of Octave says, "It's been an incredible journey for CCL, from an idea born in 2015 through to an extremely fast-growing network today. Becoming an independent business from Spark will now allow Octave to focus wholly and solely on building excellent network service solutions."

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For media queries, please contact:

Elle Dorset

Corporate Relations Partner

+64 (0) 21 238 9844

For investor relations queries, please contact:

Dean Werder

Finance Lead Partner, Product and Performance

+64 (0) 27 259 7176