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STOCK EXCHANGE ANNOUNCEMENT

25 August 2025

Chorus FY25 full year results

The following are attached in relation to Chorus' FY25 full year results:

1. Media Release
2. Investor Presentation
3. Annual Report (including audited financial statements)
4. NZX Financial Results Announcement
5. NZX Distribution Notice
6. Sustainability Report
7. Climate Statements.

Chief Executive Officer Mark Aue, and Chief Operating Officer Drew Davies, will discuss the FY25 full year results by webcast at 10.00am New Zealand time today. The webcast will be available at www.chorus.co.nz/webcast.

Authorised by:

Drew Davies
Chief Operating Officer

ENDS

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25 August 2025

Resilient financial result with good progress on strategy

Key FY25 results

- Operating revenue $1,014m (FY24: $1,010m), with fibre revenue up 7%
- Solid year-on-year EBITDA of $705m (FY24: $700m)
- Net profit after tax $4m (FY24: net loss $9m)
- Cash flows from operating activities of $559m (FY24: $513m)
- Unimputed final dividend of 34.5 cents per share (total FY25 dividends: 57.5cps)
- Increase in fibre connections: by 31,000 to a total of 1,115,000
- Fibre uptake increased to 72.1% addresses, up 1%
- Remaining copper connections: down 41% to 92,000
- Network traffic up 10% to 8,741 petabytes

Chorus has delivered a resilient result for the year ended 30 June 2025, despite a difficult year for the New Zealand economy and revenue headwinds from the retirement of legacy services.

Fibre connections grew by 31,000 and made up 92 per cent of Chorus' fixed lines, with fibre uptake at 72.1 per cent of addresses passed. The growing importance of digital connectivity was underlined with data demand growing 10 per cent in the year to 8,741 petabytes. Average monthly usage for fibre connections grew 7.7 per cent to 671GB through FY25.

Revenue lifted from $1,010 million to $1,014 million despite copper-related revenues reducing by $39 million during the year. We more than offset this decline through continued growth in both fibre connections and the average revenue per user.

Our simplification strategy and strong cost management held operating expenditure at $309 million, down $1 million from FY24. This was achieved despite continued inflation across numerous expense lines and increased regulatory levies, together with one-off costs for operating model changes and the exploration of new revenue opportunities.

As a result, EBITDA was $705 million for FY25, a 1 per cent increase on FY24 EBITDA of $700 million. After the deduction of depreciation, amortisation, interest and tax, net earnings were $4 million compared to a loss of $9 million in FY24.

A renewed purpose

Chorus CEO Mark Aue said Chorus is making continued progress in its shift to becoming a simpler all-fibre digital infrastructure company.

“Our December Investor Day outlined a reset in strategy and execution across three distinct Horizons. FY25 (Horizon 1) was foundational, marking the start of our transition to becoming the great network operator.

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"This year, we laid the groundwork for that change – embedding a clear strategy, with the clarity and specificity of what future success looks like: "a simplified all fibre business with 80% uptake by 2030". We refined our operating model and reinvested in new operational capabilities.

"We sharpened our market position, promoting fibre as the gold standard in connectivity – vastly superior to alternatives like fixed wireless.

"These structural changes have helped us maintain fibre connection growth through FY25 and will be an ongoing advantage, with the economy expected to remain challenging for some time.

"With fibre uptake already above 72%, our goal to reach 80% requires us to work in different ways. Innovation remains central, as exemplified by the recent speed boost for two of our popular plans, benefitting more than 700,000 homes. This signals where we're headed, with advanced fibre markets like Singapore already moving to 10Gbps speeds as standard.

"As we transition into Horizon 2 (FY26–FY29) Chorus will continue to evolve, reflecting a business that is more simple, efficient, innovative and competitive.

Expanding fibre further

Chorus is proud of the work we have done so far in 2025, taking fibre to an additional 9,000 homes and businesses in 59 communities across Aotearoa. Commenting on the continued rollout of fibre, Mark said: "Fibre rollout has stopped at 87% of the population, while other countries are going further. There's a risk that 'good enough' non-fibre solutions for the remaining 13% will only exacerbate the digital divide as customer needs evolve.

"We were, therefore, pleased when the government's Infrastructure Priorities Programme recently endorsed our proposal to expand fibre to 95% of New Zealanders. The only private sector proposal among 17 endorsed projects, it has a benefit-cost ratio of 6.3, based on an expected $17 billion in economic benefits for a cost of less than $3 billion. We're ready to start, with the ability to flex the rollout for funding and regional needs.

"However, expansion benefits the communities where fibre reaches, rather than going to the network builder. Some form of public investment is needed but government endorsement doesn't guarantee any government funding.

"Equally urgent is affordability, where a different approach is needed. Nearly 400,000 households remain digitally excluded. In an age where connectivity underpins everything from remote surgery to immersive virtual learning, participating in the digital economy must be a right, not a luxury.

"We're committed to addressing this. We've established a new community co-fund initiative to contribute to build costs in willing communities and launched a digital equity proof-of-concept trial with service providers. It's a complex challenge, but we're committed to finding real solutions for low-income households."

Milestone to copper retirement

Last week the Commerce Commission recommended the removal of copper access regulation. The widespread availability of superior and affordable alternatives to copper in rural New Zealand means

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regulation is no longer required to promote competition. The Commission's recommendation is now with Media and Communications Minister Paul Goldsmith for consideration.

"This recommendation represents a key milestone on Chorus' journey to being a simplified, all-fibre business. Removal of copper regulation will provide a clear pathway to copper network retirement outside fibre areas."

The Commerce Commission noted the importance of a managed withdrawal process for the rural copper network. Mark Aue said "We reiterate our commitment to a clear, consumer-centric retirement process that supports transition of customers still on copper to modern services. We are working with the Commerce Commission and Government to establish an appropriate set of managed withdrawal commitments for rural consumers."

Final dividend

Chorus has confirmed it will pay an unimputed final dividend of 34.5 cents per share in October 2025 bringing total dividends to 57.5 cents per share in FY25, an uplift of 10 cents per share compared to FY24 (21% increase). The dividend reinvestment plan remains suspended.

FY26 guidance

FY26 guidance is subject to no material adverse changes in circumstances or outlook.

- **EBITDA**: $710 million to $730 million
- **Gross capital expenditure**: $375 million to $415 million
- **Sustaining capital expenditure** $195 million to $215 million
- **Dividend**: 60.0 cents per share, unimputed (up 4.3% from FY24)

ENDS

Chorus Chief Executive Mark Aue and Chief Operating Officer Drew Davies will discuss the FY25 result at a briefing from **10.00 am** on **Monday, 25 August 2025** (NZST). The webcast will be available at www.chorus.co.nz/webcast.

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- Includes forward-looking statements. These statements are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond Chorus' control, and which may cause actual results to differ materially from those contained in this presentation.
- Includes statements relating to past performance which should not be regarded as reliable indicators of future performance.
- Is current at the date of this presentation, unless otherwise stated. Except as required by law or the NZX Main Board and ASX listing rules, Chorus is not under any obligation to update this presentation, whether as a result of new information, future events or otherwise.
- Should be read in conjunction with Chorus' audited consolidated financial statements for the year to 30 June 2025 and NZX and ASX market releases.
- Includes non-GAAP financial measures such as "EBITDA". These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, Chorus' audited consolidated financial statements. We monitor EBITDA as a key performance indicator, and we believe it assists investors in assessing the performance of the core operations of our business. EBITDA is reconciled in the Notes on page 36 of the FY25 annual financial statements.
- Has been prepared with due care and attention. However, Chorus and its directors and employees accept no liability for any errors or omissions.
- Contains information from third parties Chorus believes reliable. However, no representations or warranties (express or implied) are made as to the accuracy or completeness of such information.

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Agenda

Mark Aue, CEO	• FY25 overview, Horizon 1 progress	4-6
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FY25 Overview

A resilient result with good progress on strategy

+3% FIBRE CONNECTIONS

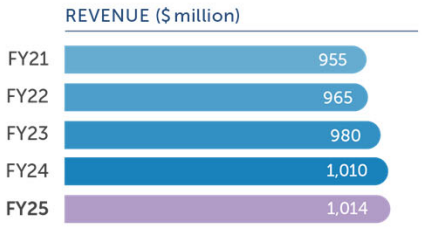
+1% EBITDA[1]

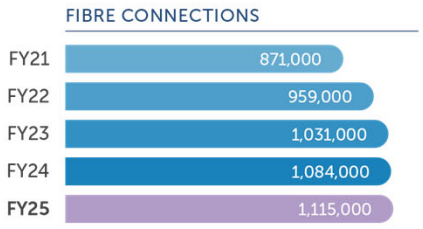
-3% CAPITAL EXPENDITURE

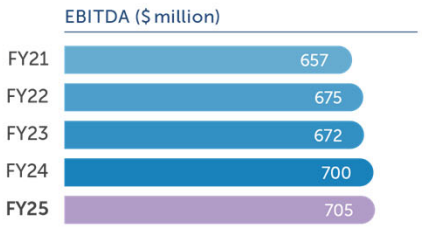
+21% DIVIDEND

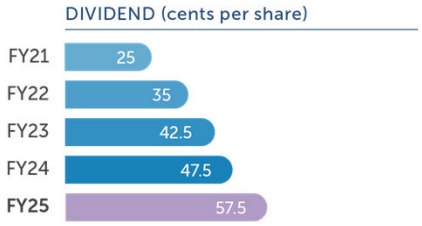
-5% ELECTRICITY USE[2]

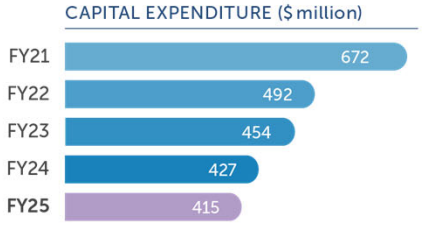
-25% SCOPE 1 & 2 EMISSIONS[3] AGAINST FY20 BASE YEAR

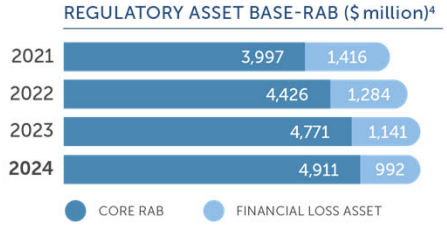








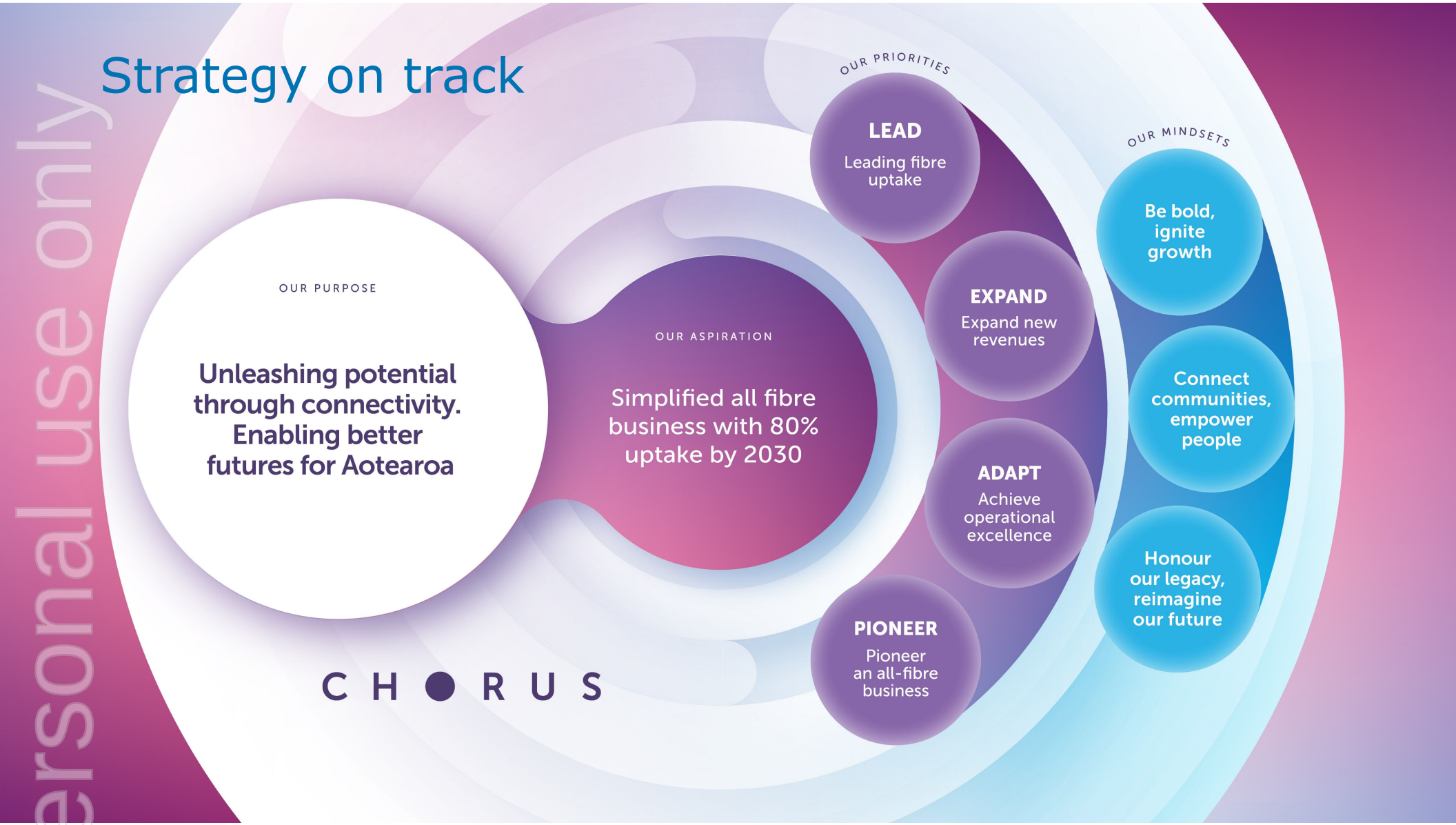




- Delivered **innovation** through Boost speed upgrades
- Driven greater **awareness** of Fibre
- **Positive regulatory pathways** emerging
- Fibre revenue growth +7%
- **Strong cost management** in inflationary environment
- Sustaining **capex held flat** at $205m
- Operating cash flows of $559m, up 9%
- **Dividend up 21%** to 57.5cps for FY25
- Transitioning to Horizon 2, focus on simplicity & efficiency

1 Earnings before interest, income tax, depreciation and amortisation (EBITDA) is a non-GAAP profit measure without a standardised meaning for comparison between companies. We monitor EBITDA as a key performance indicator and we believe it assists investors in assessing the performance of the core operations of our business.
2 4.8% reduction (rounded to 5%) in electricity use in FY25 against FY24. For detailed Chorus' climate related information, please refer to the Climate Statements available at company.chorus.co.nz/sustainability.
3 In FY25, Chorus had a 25% reduction in scope 1 & 2 emissions against our FY20 base year, compared to a 39% reduction in FY24. This FY25 increase is primarily due to the use of the recently published Ministry for the Environment (MfE) emission factors for electricity, which increased by 39%.
4 As at 31 December.

Strategy on track



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Transition from Horizon 1

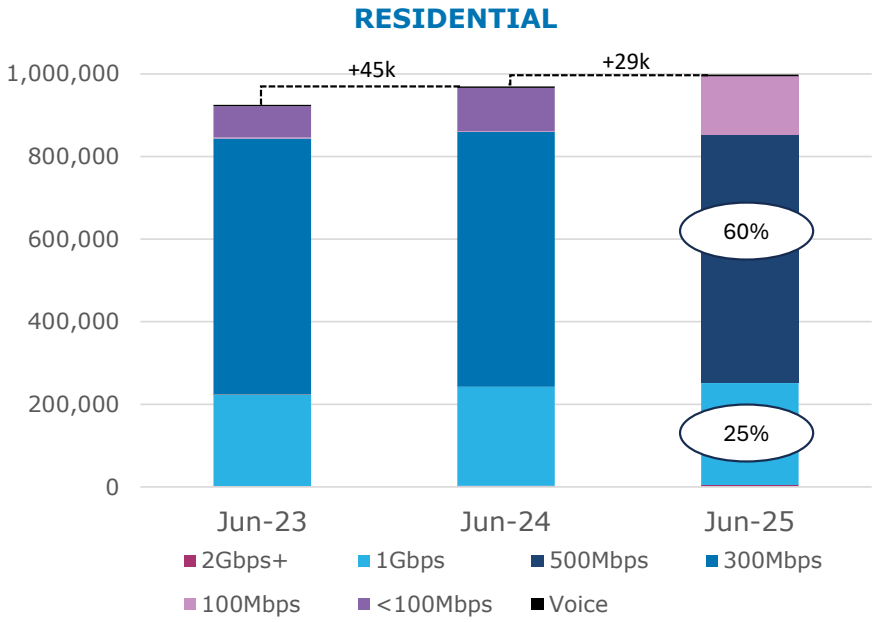


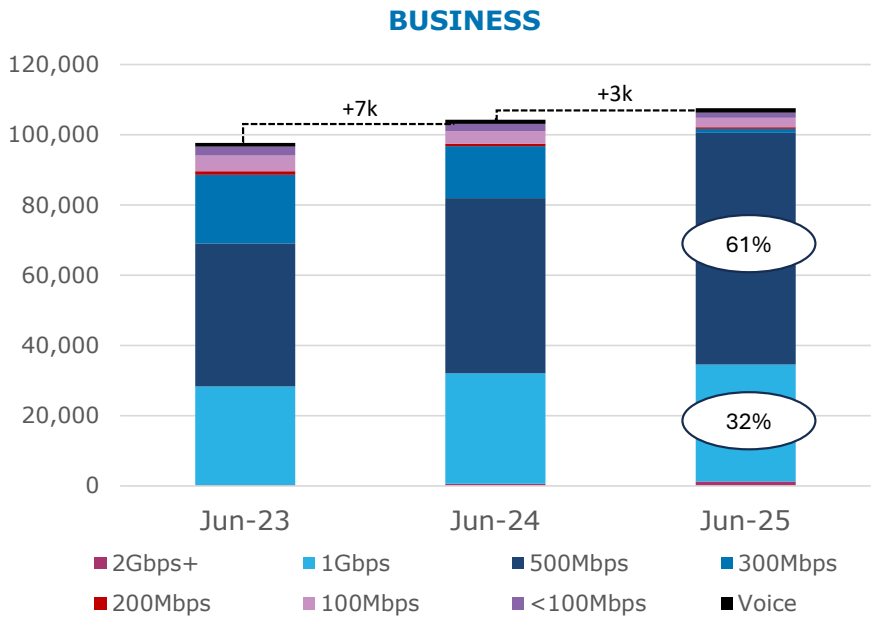
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LEAD

Fibre growth continues; speeds boosted in June

- *Home Fibre Starter* now 100/20Mbps: grew by 41k to 88k in FY25. Majority of growth from new/offnet and ~1/4 from higher speed plans
- demand for 1Gbps+ stable; 25% of residential connections on 1Gbps or faster with ~5k on *Hyperfibre* 2Gbps+ plans
- residential 50Mbps and 300Mbps plans boosted to 100Mbps and 500Mbps respectively in mid-June





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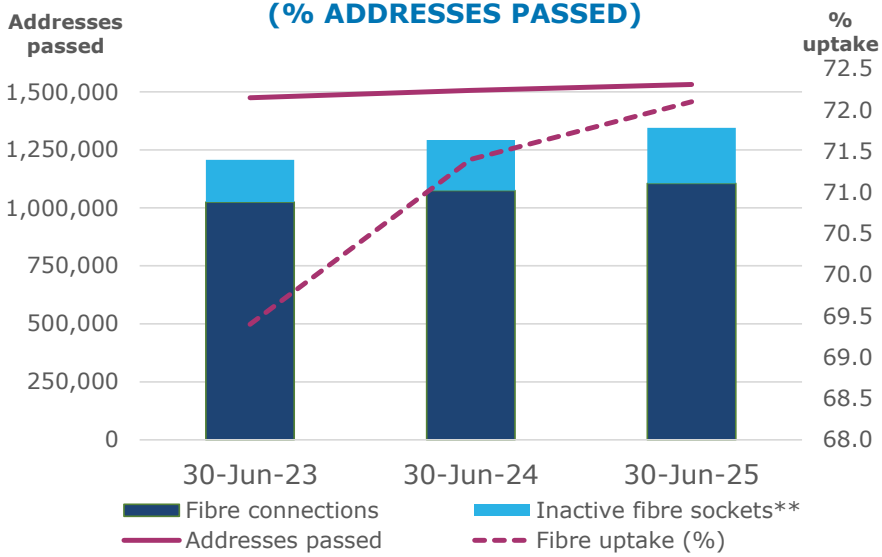
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LEAD

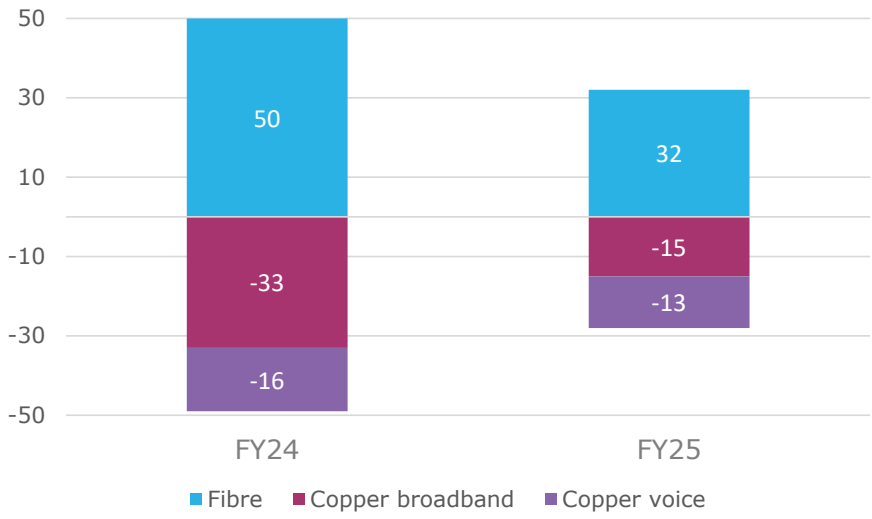
Fibre uptake lifts to 72.1%

- fibre uptake at 72.1% (FY24:71.4%): later UFB2 areas +4% to 62%; earlier UFB1 areas at 75%
- fibre footprint grew 26k to 1,532,000 addresses passed* at 30 June
- return to growth in Chorus fibre areas as copper withdrawal programme ends (see chart on right)

FIBRE UPTAKE IN CHORUS FIBRE AREA (% ADDRESSES PASSED)



CHANGE IN MASS MARKET CONNECTIONS IN CHORUS FIBRE AREA ('000s)



** based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in Local Fibre Company (LFC) areas*
*** not active on 30 June*

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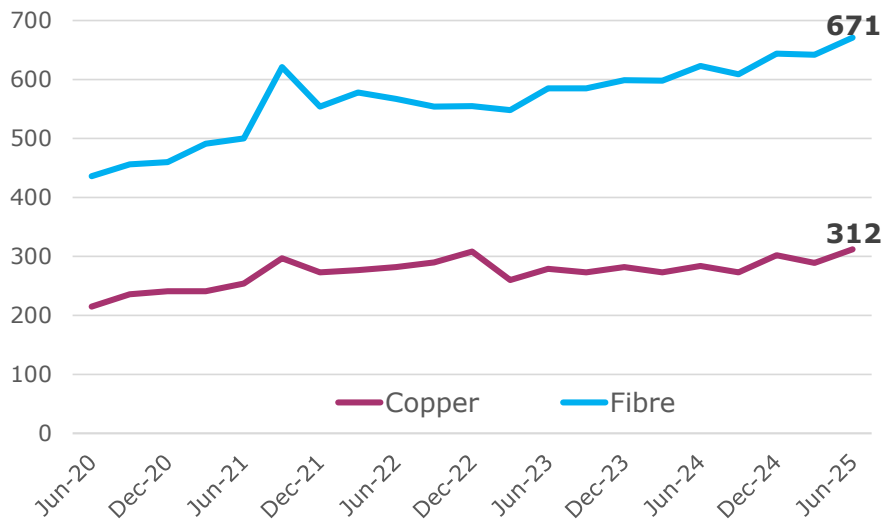
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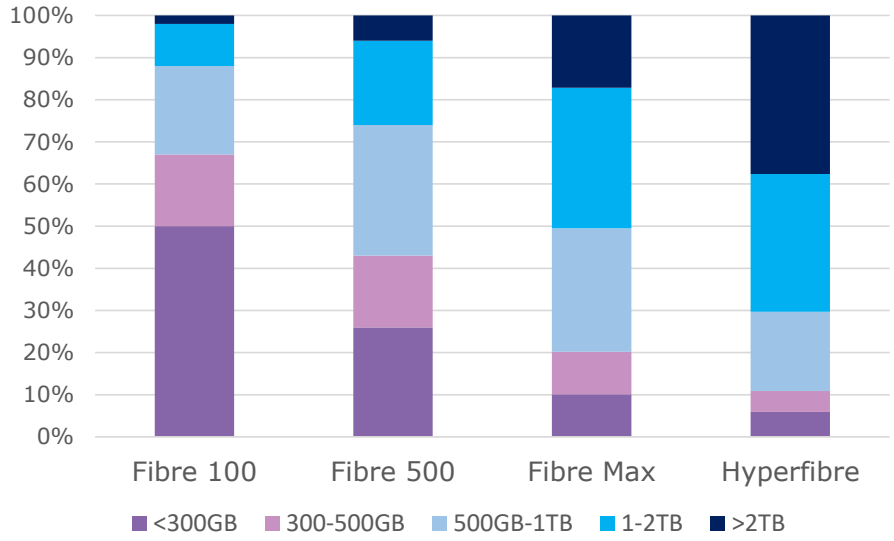
Data usage accelerating

- monthly average fibre data usage growing strongly to 671GB (July 2025: 684GB vs June 2024: 623GB)
- 19% of fibre customers used >1Terabyte of data in June 2025 (June 2024: 16%)
- recent Boost indicates users have benefited from the faster download speed, improving our competitive position with consumers

MONTHLY AVERAGE DATA USAGE PER CONNECTION (GIGABYTES)



CONNECTIONS BY SPEED TIER AND USAGE JULY 2025



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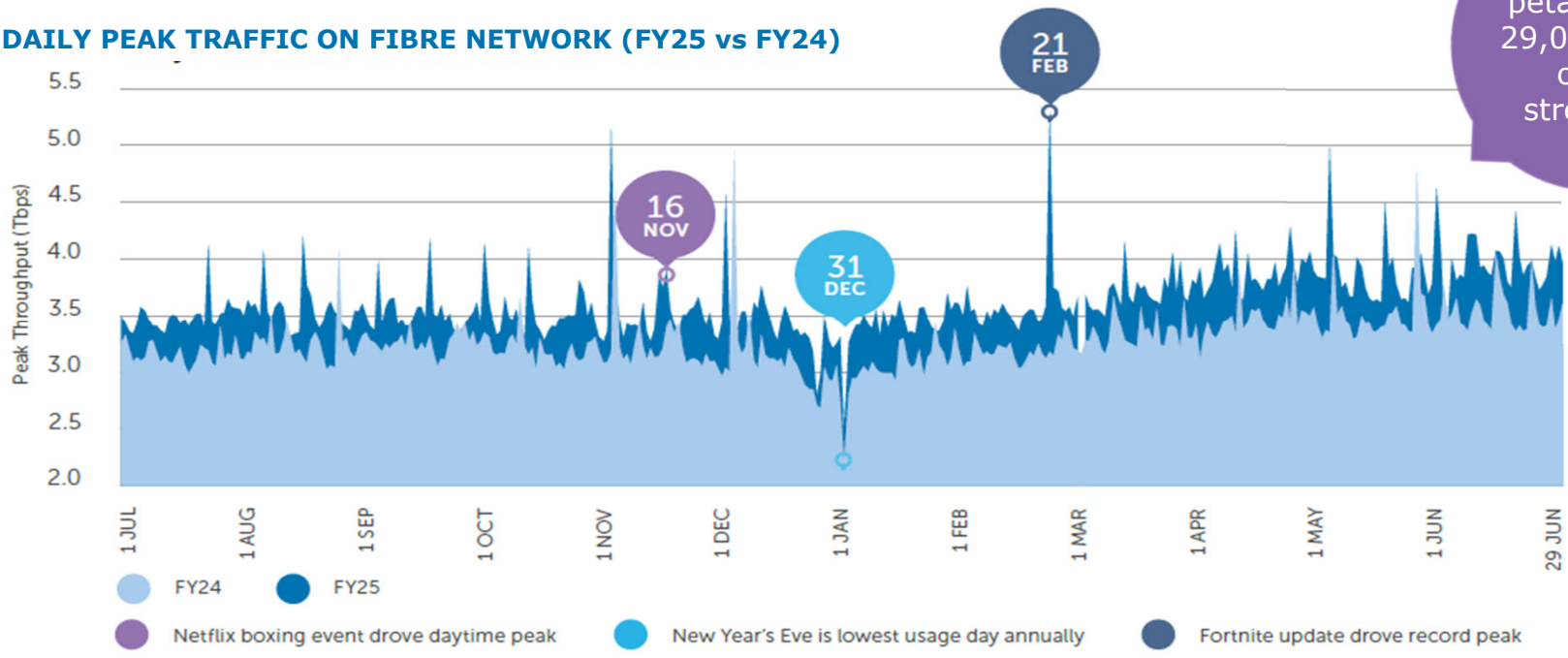
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LEAD

A robust and scalable fibre network

- significant increase in data traffic at 8,741 petabytes in FY25; up 767 petabytes from FY24
- 96% of data on fibre network, showing scalability at marginal cost
- increasing number of peak events with 17 peak traffic events in FY25 vs 10 in FY24

DAILY PEAK TRAFFIC ON FIBRE NETWORK (FY25 vs FY24)



+767 petabytes = 29,000 years of HD streaming

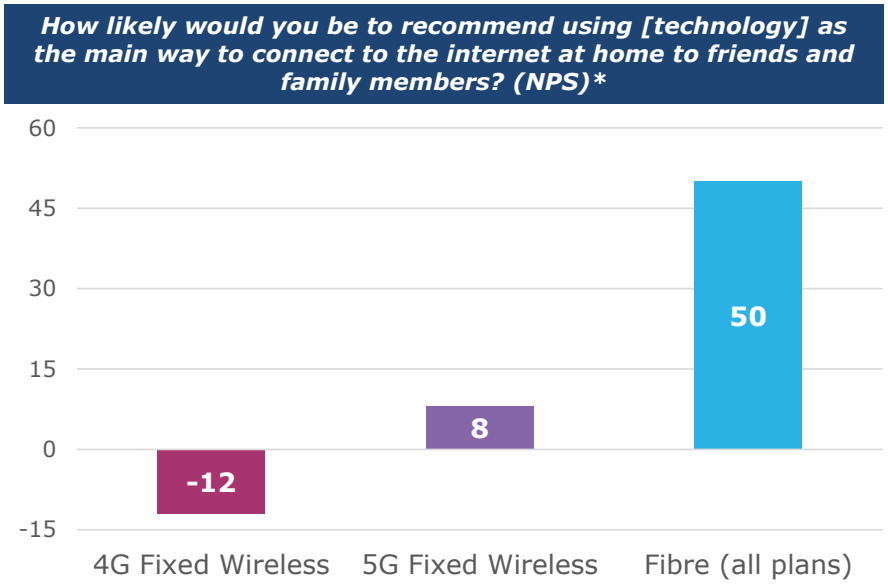
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Focus as a market challenger

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- market repositioning with direct to consumer communication
- marketing raising awareness of fibre's superiority vs fixed wireless
- consumer monitoring shows fibre significantly outperforming fixed wireless Net Promoter Score (NPS)





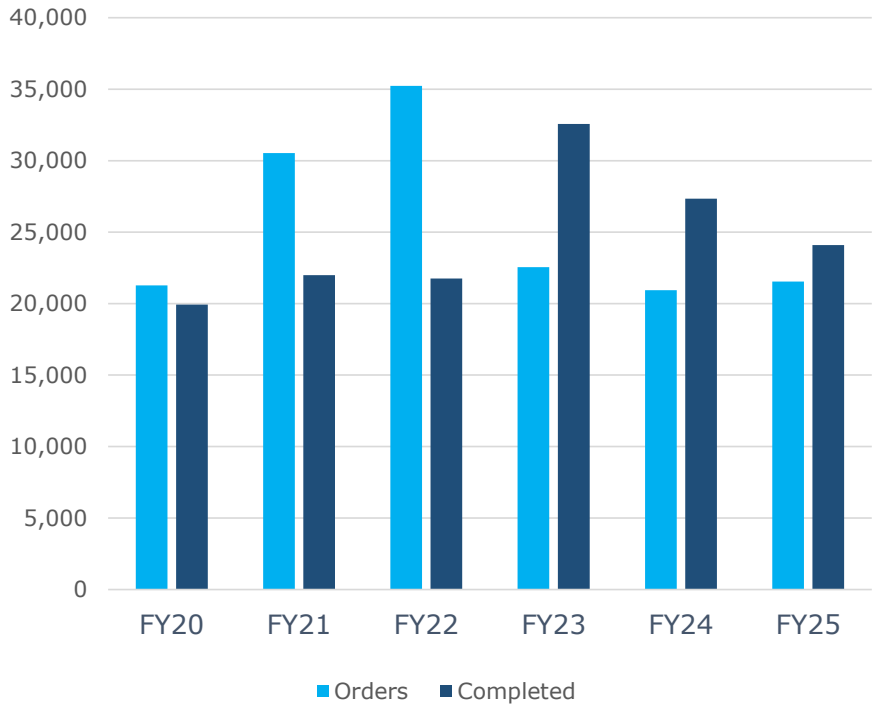
*Source: Consumer Monitor Survey, 6 months to July 2025 for metro/suburban areas

Steady demand for infrastructure connectivity

EXPAND

- **New property development:** 24k lots passed in FY25; order pipeline stabilising back at pre-Covid levels of 20k-25k
- **Data centres:** new Express Connect service to simplify and accelerate DC connectivity; enables remote provisioning
- **Mobile infrastructure:** continued growth in backhaul demand to new cellsites; ~3,400 cellsite connections
- **Smart locations (e.g. CCTV, traffic lights):** grew another 23% to 2,500+ connections; assisted by copper migration
- **Legacy services:** some revenue headwinds as we retire copper services and obsolete enterprise fibre systems
- **Trans-Tasman Ring**: MoU and engagement with Datagrid ended as the project did not meet our investment criteria. We'll continue to monitor future opportunities in the sector but this is no longer an area we are actively pursuing

NEW PROPERTY DEVELOPMENT PIPELINE – LOTS PASSED



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FY25: getting future fit

Significant changes made in Horizon 1 (FY25) to enable our shift away from a build focus and become the great network operator over Horizon 2 (FY26-FY30)

- **Operating model evolution:**
  - organisation redesign and investment in new capability resulting in ~60 fewer roles
  - introducing new Retention and Data & Analytics capability
  - exploring opportunities for further business integration of AI
  - 'Fibre Frontier' value stream now managing e2e copper network retirement and asset optimisation
- **Regulatory clarity for PQP2 (CY2025-2028):**
  - ID reporting (31 May) showed CNU was very close to earning the 2024 MAR
  - PQ-FFLAS opex allocations will reflect copper withdrawal and decline in copper direct costs
  - Chorus calls for regulatory simplification reflected in telco sector review terms of reference

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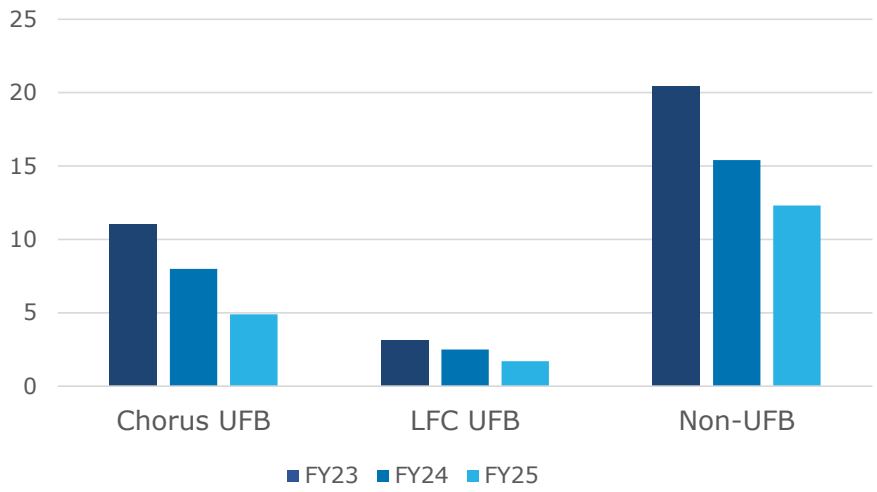
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PIONEER

Countdown to urban copper retirement

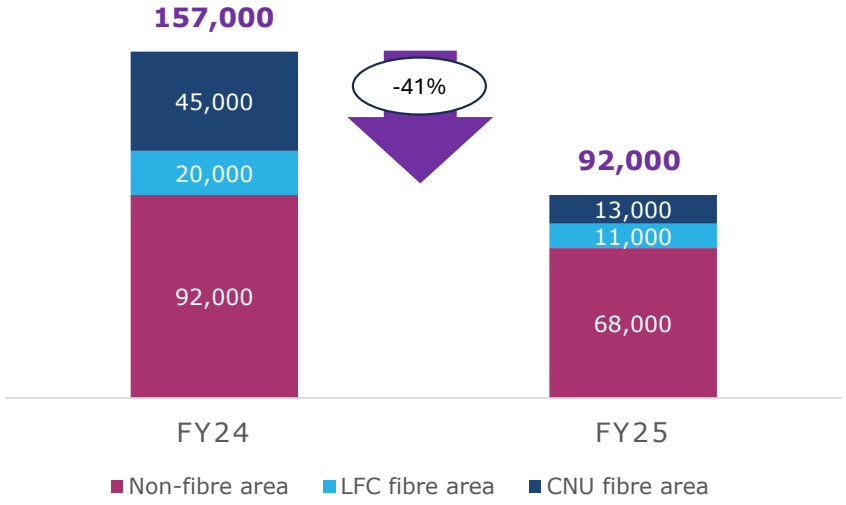
- total copper fault volumes reduced by 16k ~$7m reduction in copper fault spend
- shutdown in Chorus fibre areas now expected by mid-2026; just 13k lines remaining in service
- copper lines in non-fibre areas reduced by 26% in FY25; migration of 1,500 legacy radio customers almost complete
- 1,090 tonnes cable recycled; copper recycling trial contributed $3m revenue; good learnings for ongoing programme
- fibre expansion to 9k existing premises: 4.5k premises ready to connect with 1,200 connected

COPPER – REACTIVE FAULT SPEND BY AREA ($m)



**FY23 included weather impact in non-fibre areas*

REMAINING COPPER LINES (CONNECTIONS)



Continuing to explore strategic options

Option 1:
IoT Solutions



Option 2:
Scale EdgeCentres



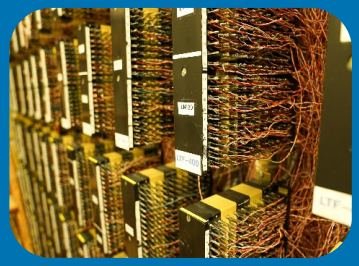
Option 3:
Trans-Tasman Ring



Option 4:
Fibre Expansion



Option 5:
Copper recovery



Option 6:
Property optimisatio



Note: green = on track; amber = under review for scalability; red = not actively proceeding

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Financial performance

Drew Davies, COO



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Income Statement

	FY25 $m	FY24 $m
Operating revenue	1,014	1,010
Operating expenses	(309)	(310)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**705**	**700**
Depreciation & amortisation	(474)	(462)
Earnings before interest & income tax	231	238
Net finance expense	(210)	(217)
Net earnings before income tax	21	21
Income tax expense	(17)	(30)
Net earnings / (loss)	**4**	**(9)**

- fibre connection and ARPU growth largely offset by legacy revenue decline
- simplification and strong cost management offset inflation-linked and regulatory increases
- copper asset depreciation up $9m to $99m
- interest costs reduced $8m with weighted effective interest decreasing from 5.77% to 5.39%
- FY24 included $15m one-off non-cash expense for tax depreciation of buildings

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Revenue

	FY25 $m	FY24 $m
Fibre broadband (GPON)	745	697
Fibre premium (P2P)	64	69
Copper based broadband	56	83
Copper based voice	17	28
Data services copper	2	3
Field services products	64	67
Infrastructure	35	33
Value added network services	26	26
Other	5	4
Total	**1,014**	**1,010**

- ARPU grew from $55.71 to $58.98 even with price changes deferred by a quarter to January 2025
- legacy enterprise service platform being retired with customers migrating to other services or networks
- copper service revenues reduced $39m as connection volumes declined 41%
- new property development revenues reduced $4m to $22m
- growth in colocation revenues
- ongoing demand for legacy network services
- FY25 includes $3m net gain from copper cable recycling
- indicative regulated fibre (PQ-FFLAS) share of revenue 83% (FY24: 78%)

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Expenses

	FY25 $m	FY24 $m
Labour	85	80
Network maintenance	47	53
IT	40	44
Other network costs	37	37
Rent, rates & property maintenance	27	27
Electricity	22	22
Advertising	12	11
Consultants	9	6
Regulatory levies	11	9
Insurance	6	5
Other expenses	13	16
Total	**309**	**310**

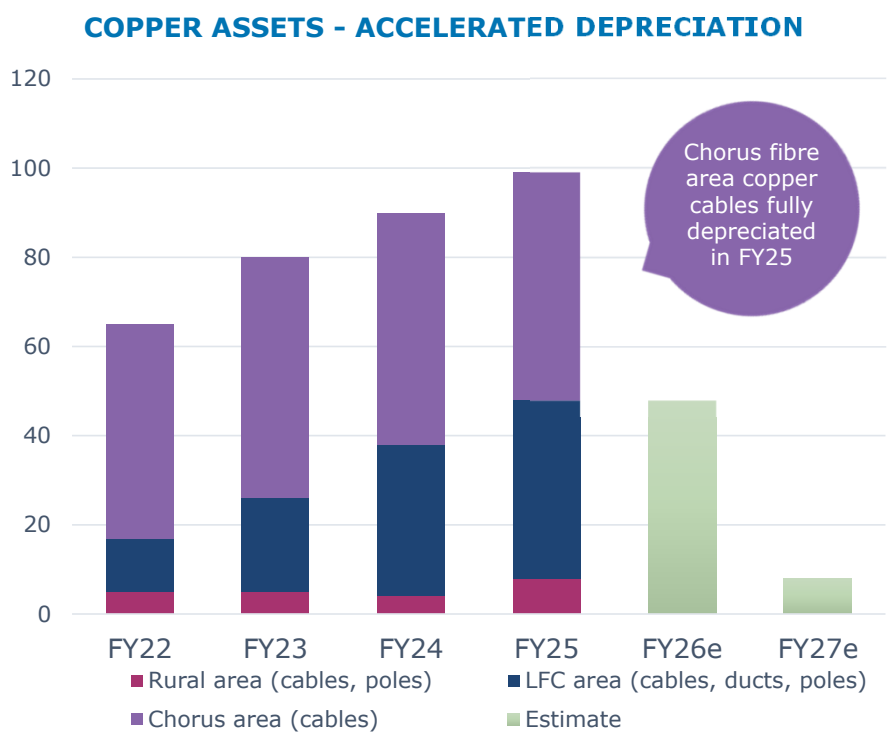
- 44% capitalisation rate (FY24:47%); $5m change costs (FY24:$2m)
- reducing copper fault volumes partly offset by increased fibre-related costs
- decreased as legacy systems exited
- included $4m of copper optimisation spend (FY24:$4m)
- 5% reduction in usage offset by higher charges
- additional spend to support exploration of new revenue opportunities

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Copper retirement expenses

- direct copper opex reduced to $45m from $54m in FY24
- copper optimisation spend to increase with completion of copper withdrawal in Chorus fibre areas
- significant step-down in copper depreciation in FY26 as accelerated copper depreciation rolls off

Direct copper opex	FY25 $m	FY24 $m
Network maintenance	20	27
IT	8	10
Other network costs	5	5
Electricity	12	12
Total	**45**	**54**



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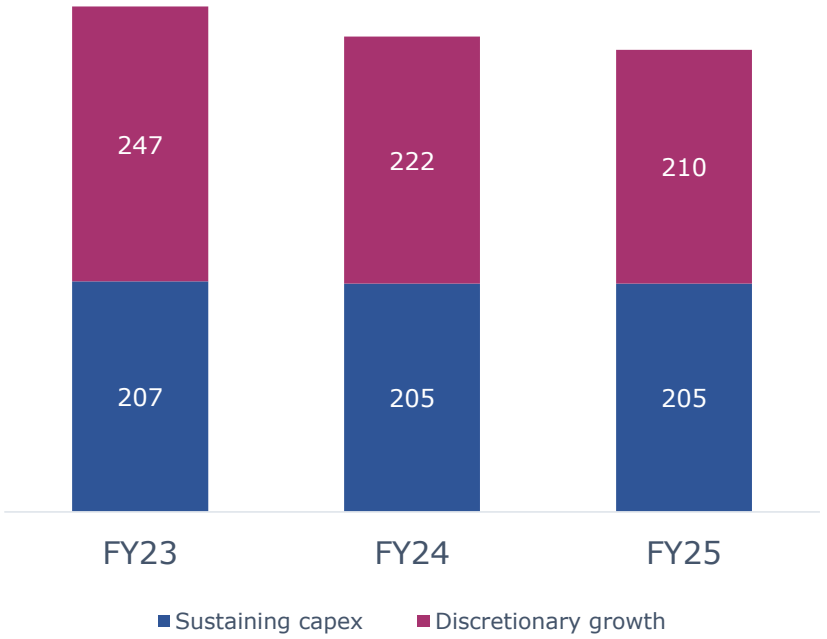
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Capex

- gross capex reduced 3% to $415m with reduced installation spend partly offset by increased spend on footprint expansion
- sustaining capex was steady year-on-year at $205m

	FY25 $m	FY24 $m
Sustaining capex*	205	205
Discretionary growth capex	210	222
Gross capex	**415**	**427**
Less: Third-party contributions**	(40)	(55)
Net capex	**375**	**372**

GROSS CAPEX BY CATEGORY



** Sustaining capex is investment to maintain, replace or improve an existing asset*
*** Third-party contributions included $4m of government grants that were applied to the balance sheet for specific projects. Other contributions were recognised as revenue*

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RAB and Non-RAB capex

- installation spend reduced by $28m
- copper capex reduced by $7m and includes $8m of contribution-funded activity
- FY24 capex updated to reflect final allocations for 2024 Information Disclosure (ID). FY25 allocations unaudited and subject to 2025 ID

RAB capex	FY25 $m	FY24 $m
Extending the network – growth	88	58
Installations – growth	113	151
IT & Support – sustaining	61	59
Network capacity – sustaining	63	67
Network sustain & enhance - sustaining	44	32
Network sustain & enhance – growth	2	2
Gross RAB capex	**371**	**369**
Less Third-party contributions*	31	41
Net RAB capex	**340**	**328**

Non-RAB capex*	FY25 $m	FY24 $m
Copper - growth	1	2
Copper – sustaining	8	14
Other – growth	6	9
Other – sustaining**	29	33
Gross non-RAB capex	**44**	**58**
Less Third-party contributions*	9	14
Net non-RAB capex	**35**	**44**

** Third-party contributions are deducted from RAB capex when calculating the value of RAB assets*

*** Some 'Other-sustaining' capex may be reallocated to the RAB over time*

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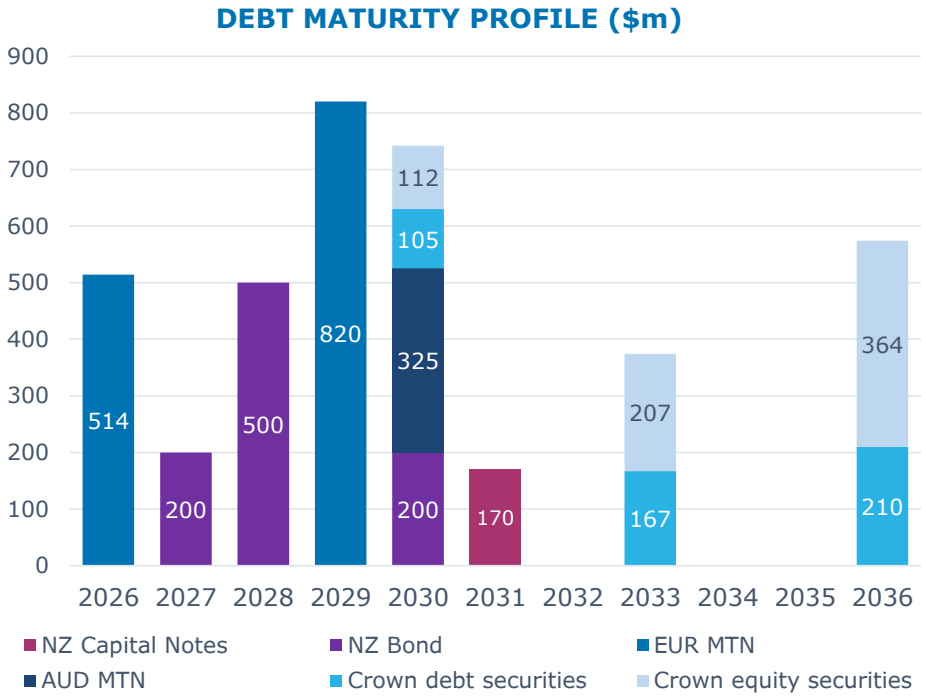
Leverage: 4.52x net debt/EBITDA

- prior periods ND/EBITDA: FY24 4.42x; HY25 4.54x
- current ratings agency thresholds: S&P 5.0x, Moody's 5.25x
- S&P has introduced new digital infrastructure rating criteria and Chorus is under criteria observation
- financial covenants require senior debt ratio to be no greater than 5.5x

As at 30 June 2025*	$m
Borrowings	2,864
+ PV of CIP debt securities (senior)	242
+ Net leases payable	162
Sub total	3,268
- Cash	81
Total net debt	**3,187**
Net debt/EBITDA	4.52

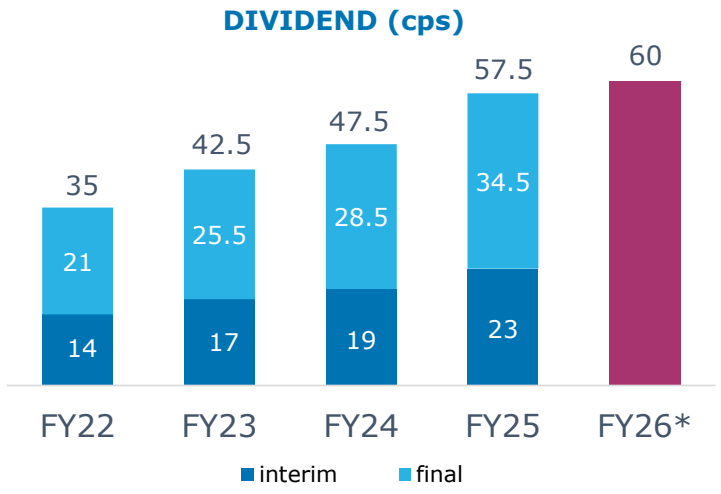
** Table based on unadjusted S&P methodology which treats capital notes as 50% equity*

- Chorus issued $170m of NZ capital notes to refinance Crown financing in June
- net borrowings were $2,869m, up $245m from $2,624m (FY24), driven by $170m capital notes issued in June 2025
  - long term bank facilities of $450m ($220m drawn)
  - ~70% of interest rate exposure fixed for 3 years



FY25 dividend and FY26 guidance

- **FY25 final dividend: 34.5cps, unimputed**
  - record date: 16 September 2025
  - payment date: 7 October 2025
  - Dividend Reinvestment Plan not available
- **FY26 dividend guidance*: 60cps**
  - dividends remain unimputed in the near term



- **FY26 EBITDA $710m to $730m***
  - includes copper recovery at similar level to FY25
  - fibre price changes would apply from January 2026
  - legacy revenues continue to decline
- **FY26 gross capex $375m to $415m**
  - range reflects allowances for potential offnet installation initiatives and growth opportunities
- **FY26 sustaining capex $195m to $215m**

Capital Management ($m)	FY25 $m	FY24 $m	FY23 $m
Net cash flows from operating activities	559	513	524
Less: Sustaining capex	205	205	207
Free cash flow for capital allocation	**354**	**308**	**317**

*subject to no material adverse changes in circumstances or outlook

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Transitioning to Horizon 2

Mark Aue, CEO



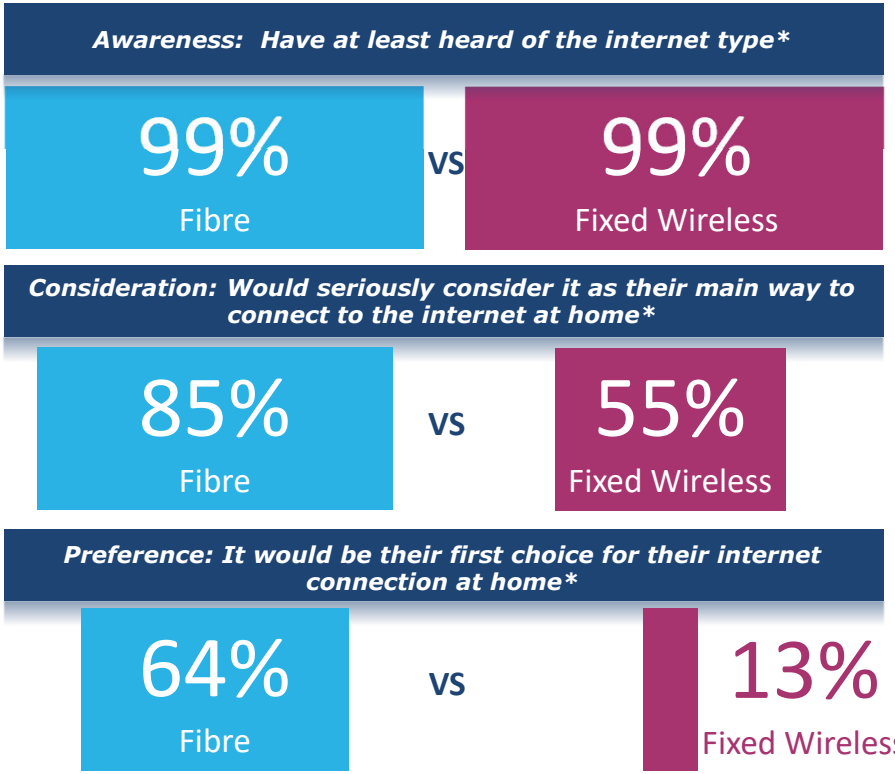
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Tailwinds support our ambition

LEAD

- Market consultation underway on proposed fibre pricing changes (effective 1 January)
- Aspiration of 80% fibre uptake achievable
- FY26 focus on targeted in-market activity:
  - marketing to maintain awareness and build consideration of fibre's capability vs other broadband technology
  - initiatives in market to target underpenetrated segments and inactive fibre addresses
  - good engagement from bundlers as they seek increased fibre share
  - opportunities to assist MNOs with FWA high data user migration
  - digital equity trial ongoing: requires a joint telco-government approach



*Source: Consumer Monitor Survey, 6 months to July 2025

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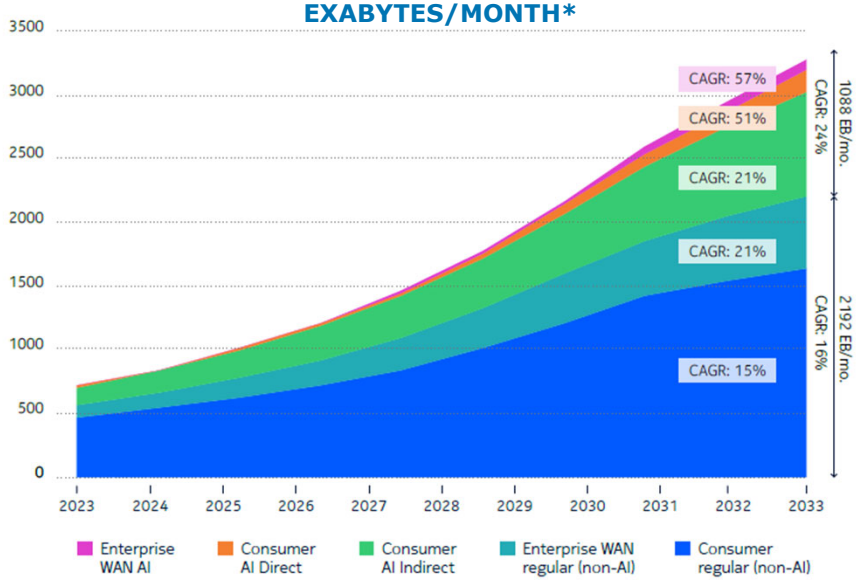
LEAD

Fibre is AI-ready

The resilience, reliability and scalability of fibre makes Chorus an AI enabler

- Industry forecasts anticipate a significant step-up in AI driven data demand
- Nokia global network traffic report forecast: AI will generate 38% of global consumer broadband traffic by 2033

NOKIA: WAN AI TRAFFIC, GLOBAL, MODERATE SCENARIO EXABYTES/MONTH*



Venture Insights six key takeaways**:

1. ***The AI Revolution Reframes the Debate: . . .*** *no longer "fibre vs. FWA, but "which infrastructure assets are best positioned to absorb an unpredictable, AI-driven demand shock?"*
2. ***FWA's Value Proposition is Fragile:*** *This position is vulnerable to the emergence of mainstream AI applications that will shatter the "good enough" performance threshold*
3. ***Uncertainty as the Key Variable:*** *The timing and scale of AI's impact are unknown, but the direction is not. Infrastructure that offers maximum performance headroom and reliability makes fibre the premier long-term asset*
4. ***Symmetry & Latency as Future KPIs:*** *AI applications, will make symmetrical bandwidth and ultra low, stable latency key fibre strengths – the critical performance indicators*
5. ***Repercussions for Asset Positioning:*** *Core of integrated telcos digital service ambitions will rely on fibre access*
6. ***A New Lens for Valuation:*** *Investors should assess telecommunications assets based on their readiness for the AI era*

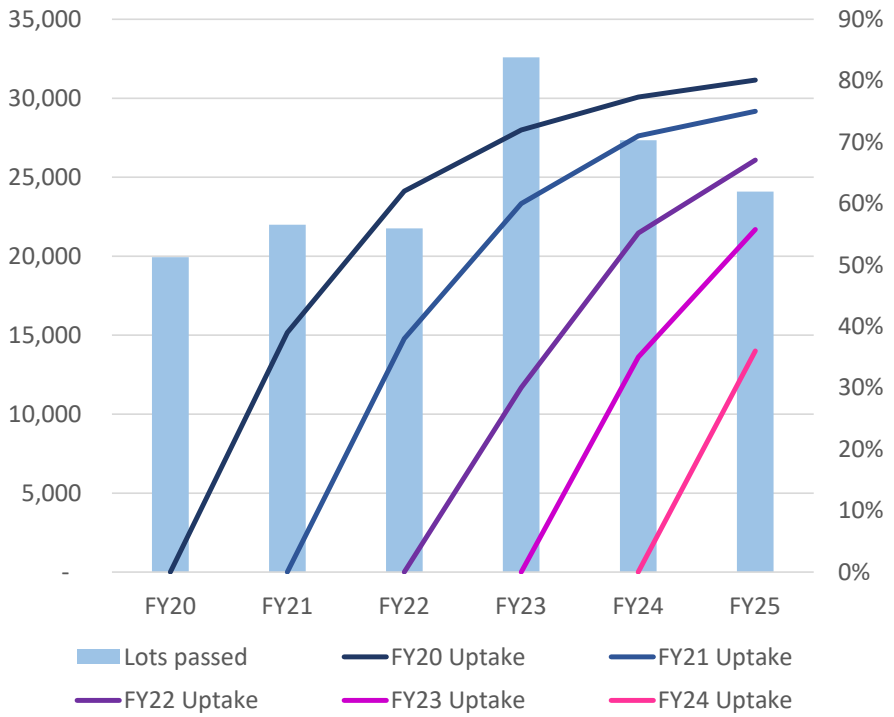
**Source: Nokia Global Network Traffic Report 2023-2033*
***Source: Venture Insights: Fibre versus FWA in the AI age, July 2025*

EXPAND

New property pipeline: 80% activated in 5 years

- New property development:
  - 80% of FY20 lots passed had activated in 5 years
  - ~55% of FY22 and FY23 lots passed activated in 2 years
  - ~23k lots contracted and in pipeline for build at 30 June to become fibre ready addresses
- Data infrastructure demand: continue to grow connectivity to smart locations, data centres, cellsites
- Horizon 2 goal: grow total infrastructure revenues to $180m - $200m+

LOTS PASSED vs FIBRE ACTIVATION RATE (%) OVER TIME



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Pathway to regulatory simplification

Commerce Commission

- **Copper services deregulation:** positive Commerce Commission recommendation to Minister
- **Fibre services deregulation:** considering voice and backhaul services
- **Fibre input methodologies review:** focus on selected key topics, e.g. risk free rate setting, network expansion investment, capex approval process
  Note: no change to revenue cap as form of control

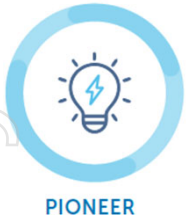
Ministry for Regulation

- **Telco sector review:**
  - considering whether current regulation is fit for purpose in light of technology and market changes.
  - Chorus is seeking removal of legacy interventions that are no longer fit for purpose e.g. Telecommunications Service Obligation, shareholder cap and other obsolete rules.

Note: no change to structural separation of retail and wholesale for fibre services

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Optimising for an all-fibre future

Copper retirement

- notice period complete in Chorus areas by December; shutdown by mid-2026
- ~1,200 cabinets/sites to be powered down in FY26 to realise maintenance, electricity and emissions benefits
- expect copper shutdown in LFC areas by end of CY2026

Copper recovery

- ~160km of cable recycled in FY25
- in market to select extraction partner; programme to step up in CY2026 as urban shutdown completes
- expect net proceeds of $30m-$50m over ~3-7 years, subject to market prices, extraction costs etc.

Asset optimisation

- strategic review of asset options underway for multi-year programme aligned to copper exit timetable
- advancing work on alternative owners for high sites

Rural network expansion

- Chorus proposed extension of fibre to 95% of population with expected $17bn economic benefits vs <$3bn cost
- endorsed by Infrastructure Commission as offering significant opportunity, but independent of funding
- co-ordinated government rural connectivity strategy needed; Ministry for Regulation review of legacy settings could help encourage further investment

Simpler, more efficient, more competitive



- Chorus' business remains resilient, ongoing economic headwinds expected in H1
- Adaptive organisation embedded (Horizon 1); now focused on growth, simplicity & efficiency (Horizon 2)
- Embracing our market challenger posture as we strive for 80% fibre uptake by 2030
- Innovation is a key differentiator in Fibre's superiority; AI will only exacerbate this
- Copper retirement achievable; emerging pathways have potential for favourable regulatory shifts
- An investment in digital infrastructure is for today and future generations

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Appendices



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Appendix A: Pricing data

PRICING CONSULTATION

Product / Service	Current Price	Proposed Price
New Low Speed Plan	n/a	$28.00 (Retail price cap $55)
Home Fibre Starter (100/20Mbps)	$38.00 (Retail price cap $65)	$40.50 (Retail price cap $70)
Home Fibre 100Mbps	$53.96	$57.52
Home Fibre 500Mbps	$56.28	$58.73
Home Fibre 920Mbps	$66.19	$69.50
Home Hyperfibre 2000Mbps	$74.90	$76.90
Home Hyperfibre 4000Mbps	$90.95	$93.38

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Appendix A: Market data

CONNECTIONS

	31 March 2024	30 June 2024	30 Sept 2024	31 Dec 2024	31 March 2025	30 June 2025
Baseband copper (no broadband)	51,000	45,000	40,000	34,000	29,000	24,000
Copper ADSL (includes naked)	62,000	56,000	49,000	44,000	39,000	34,000
VDSL (includes naked)	62,000	55,000	49,000	44,000	39,000	34,000
Data services (copper)	1,000	1,000	1,000	1,000	NM	NM
Fibre broadband (GPON)	1,064,000	1,074,000	1,083,000	1,089,000	1,098,000	1,106,000
Fibre premium (P2P)	10,000	10,000	9,000	9,000	9,000	9,000
Total connections*	1,250,000	1,241,000	1,231,000	1,221,000	1,214,000	1,207,000

Copper connections declined 65k in FY25 and total 92k

Fibre connections grew 31k in FY25 and total 1,115k

**includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households*
Note: numbers are rounded

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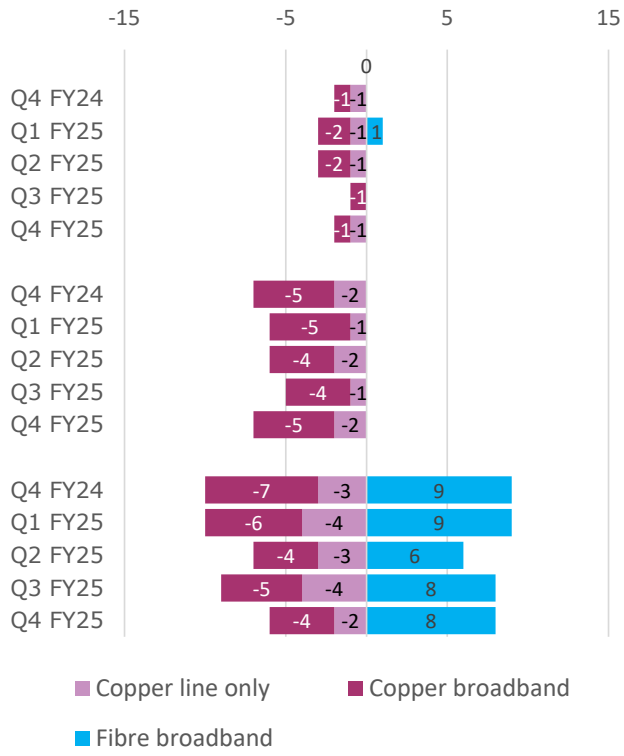
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Appendix A: Connections by Zone

CONNECTION CHANGES BY ZONE*

Other fibre company (LFC) zone	Copper lines (no broadband)	5,000	Copper connections are declining as Chorus retires its copper network and customers migrate to Local Fibre Company and fixed wireless networks.
	Copper broadband lines	6,000	
	Fibre broadband lines (GPON)	4,000	
	TOTAL	**15,000**	
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	12,000	Ongoing decline in copper connections as customers migrate to alternative mobile/fixed wireless/satellite networks.
	Copper broadband lines	56,000	
	TOTAL	**68,000**	
Chorus fibre zone	Copper lines (no broadband)	7,000	Covers all addresses outside of LFC UFB rollout zone where Chorus fibre is available. Fibre footprint is growing as a result of network expansion and new property development. Copper connections are reducing as Chorus retires its copper network.
	Copper broadband lines	6,000	
	Fibre broadband lines (GPON)	1,099,000	
	TOTAL	**1,112,000**	

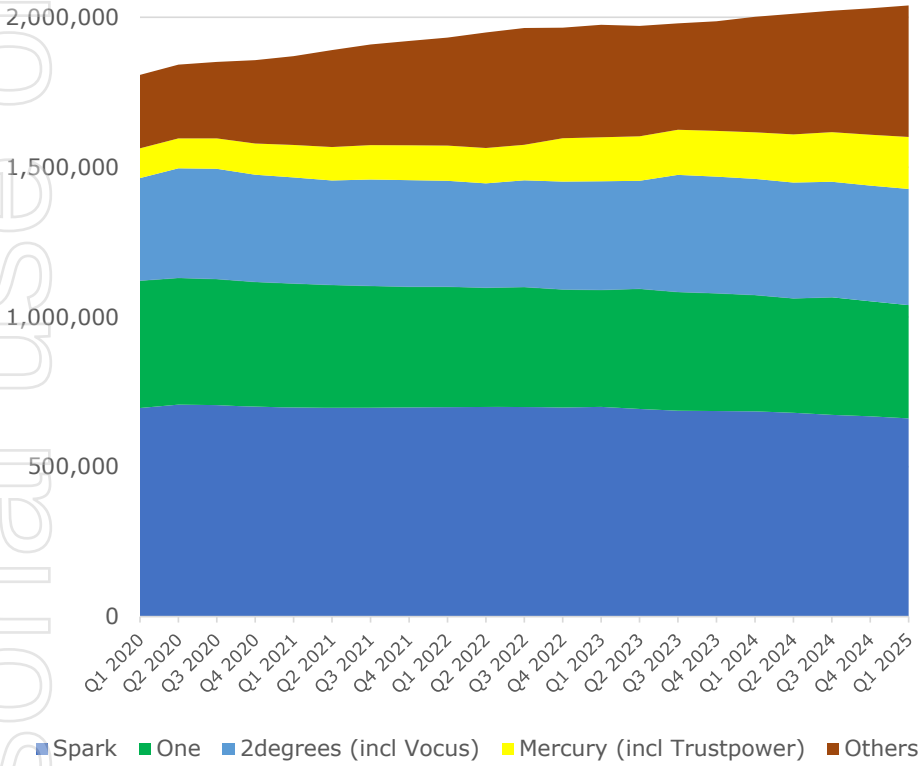
QUARTERLY CHANGE ('000s) BY ZONE



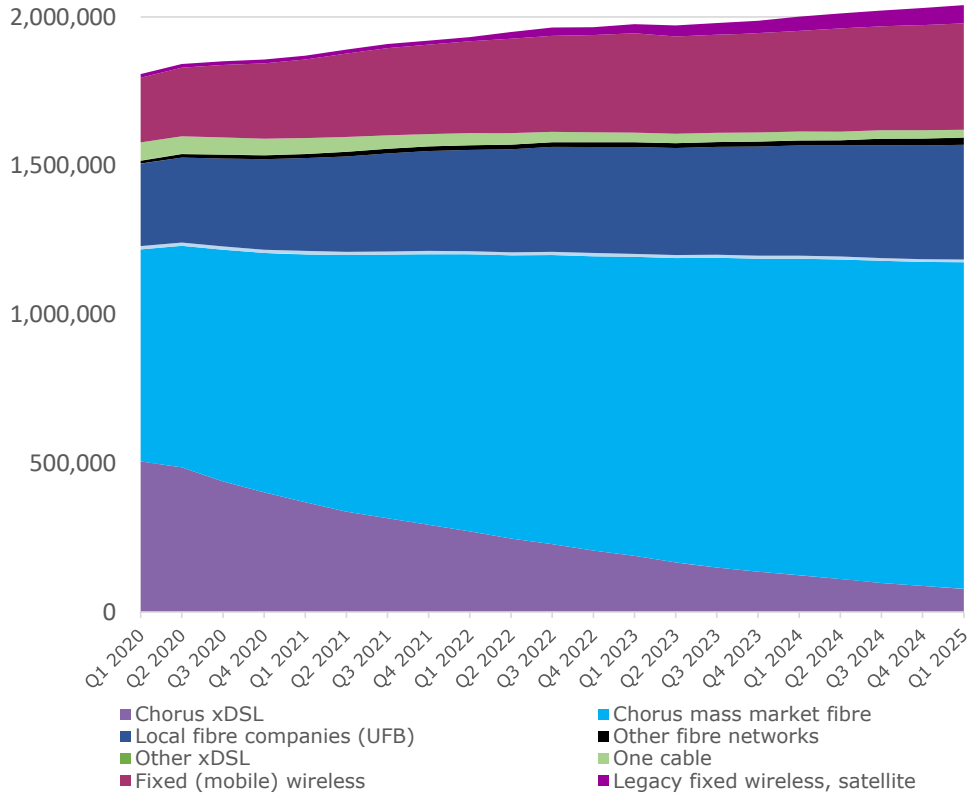
** Indicative as at 30 June, excludes ~12k fibre premium and smart location connections*

Appendix A: Market Composition

NZ BROADBAND MARKET – BY RETAILER



NZ BROADBAND MARKET – BY TECHNOLOGY



Source: IDC

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Appendix B: Additional financial information

INTEREST RATE HEDGES

Bond	Amount NZ$m	Current hedge profile
EMTN 2026	514	100% fixed for life of bond at 3.39%
NZD 2027	200	100% fixed for life of bond at 1.98%
NZD 2028	500	100% fixed for life of bond at 6.21% from Dec 2023
EMTN 2029	820	Swapped to a margin over floating (BKBM) through cross currency interest rate swaps. ~67% fixed at 6.17%
NZD 2030	200	100% fixed at 2.5%
AMTN 2030	325	Swapped to a margin of 1.73% over floating (BKBM) through cross currency interest rate swaps. ~30% is fixed using an interest rate collar of 5.48% to 6.05% from March 2025
NZD 2056	170	~90% fixed at 5.93% until first call in June 2031

CROWN FINANCING SUMMARY

Crown securities $m	30 June 2030	30 June 2033	30 June 2036	TOTAL
Equity securities (cumulative total)	197.0	404.0	768.5	768.5
Debt securities (maturity profile)	104.7	166.7	210.2	566.9

Crown equity securities

- unique class of security with no voting rights but a repayment preference on liquidation
- redeemable by cash payment of total issue price or the issue of Chorus shares (at a 5% discount to the 20-day VWAP for Chorus shares)

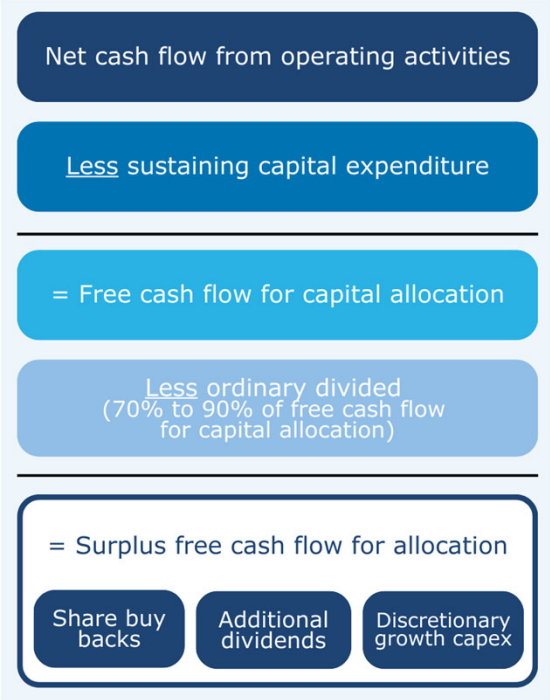
Crown debt securities

- unsecured, non-interest bearing and carry no voting rights
- to be redeemed in tranches from 30 June 2025 to 2036 by repaying the issue price to the holder

Appendix B: Capital management principles & policy

A DIGITAL INFRASTRUCTURE BUSINESS MAXIMISING LONG-TERM VALUE AND RETURNS

Dividend policy: pay an ordinary dividend of 70% to 90% (on average, over time) of net cash flow from operating activities less sustaining capital expenditure



Capital allocation underpinned by free cash flow from an essential regulated infrastructure asset

Deliver a sustainable growing dividend, at least in real terms

Use balance sheet to fund discretionary growth capex - up to 4.75x ND/EBITDA

Discretionary growth capex must deliver greater value than returning funds to shareholders

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Appendix C: RAB movement: 2024 regulatory year

Component	Core RAB $m (nominal)	Financial Loss Asset (FLA) $m (nominal)	Notes
Opening RAB (1 January 2024)	4,791	1,142	The closing RAB at 31 Dec 2023 included a *forecast* asset allocator adjustment. The opening RAB at 1 Jan 2024 is $20m higher due to updates for *actual* asset allocators.
less Depreciation	(333)	(175)	FLA depreciation is diminishing value and the core RAB is straight-line. Assets start depreciating the regulatory year after commissioning.
plus Revaluations	106	25	2.22% actual inflation in the December quarter versus forecast 2.13% used in the final decision for 2024 MAR.
plus Assets commissioned	306	0	Amount is net of $35m capital contributions
plus Adjustment resulting from asset allocation	41	0	An upwards adjustment reflects a greater proportion of shared assets being attributable to fibre (due to differences in allocations drivers such as revenues and connections) than was forecast for the opening RAB in 2024.
Total closing RAB value (31 Dec 2024)	**4,911**	**992**	

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Appendix C: MAR wash-up: 2024 regulatory year

Description	Wash-up $m (nominal)	Revenue $m (nominal)	Notes
2024 maximum allowable revenue		**808.7**	PQP1 decision updated in 2023 for pass through costs and CPI forecasts.
Less 2024 FFLAS revenue received		**(807.8)**	
2024 MAR under-earn		**0.9**	
CPI on the price path for 2024	16		Actual CPI of 2.92% (since 2023 update) via in-period smoothing.
Cost allocators	18.4		Previously forecast cost inputs (e.g. totex, connections and data traffic) updated for actuals in the period.
Initial RAB true-up	9.7		MAR adjustment to reflect increased allocation of shared assets in the final RAB decision.
Connection capex	1.9		Commission requires connection capex to be included in the final year PQP2 wash-up calculation for the three years.
Individual capex proposal for 2023	1.0		Commission approved individual capex proposal for customer incentives for 2023.
Crown financing benefit	0.2		Reflects lower Crown financing balance than forecast.
Pass through costs under-forecast	0.2		Actual pass-through costs of $16.1m versus forecast $15.9m.
	47.4	**47.4**	
2024 wash-up balance		**48.3**	
2023 wash-up balance: smoothed 2022 wash-up balance: smoothed		53.8 51.4	The 2022 and 2023 wash-up balances were adjusted as part of the in-period smoothing process plus connection capex.
TOTAL PQP1 wash-up carried forward		**153.5**	The wash-up balance is rolled forward each year using the post-tax WACC as the time-value of money to preserve NPV neutrality.

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Appendix C: Regulatory revenue building blocks

Final building blocks revenue components ($m, nominal)	2025	2026	2027	2028
Total return on capital	**255.1**	**270.4**	**269.4**	**266.1**
Return on assets (RAB x WACC), Core fibre assets	384.6	396.6	404.3	408.5
Return on assets (RAB x WACC), Financial loss assets	74.0	63.8	54.6	46.2
Revaluations	(127.1)	(116.7)	(116.1)	(115.3)
Ex-ante stranding allowance	6.0	6.0	6.0	5.9
Benefit of Crown finance	(84.9)	(81.9)	(81.8)	(81.7)
TCSD allowance	2.5	2.5	2.5	2.4
Opex allowance	**197.0**	**203.6**	**208.0**	**210.9**
Total depreciation	**452.8**	**447.3**	**450.8**	**439.4**
Core fibre assets	299.4	310.0	327.5	328.3
Financial loss assets	153.4	137.2	123.3	111.1
Tax allowance	**0.0**	**0.0**	**28.3**	**101.6**
In-period smoothing	**(13.3)**	**11.6**	**13.5**	**(11.4)**
Total building blocks revenue	**891.5**	**932.8**	**970.2**	**1,006.6**
Pass-through costs	**19.6**	**20.2**	**20.8**	**21.4**
Wash-up amount (smoothed)	**45.8**	**47.9**	**49.8**	**51.7**
TOTAL	**956.9**	**1,001.0**	**1,040.8**	**1,079.7**

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ANNUAL REPORT 2025

For the 12 months ended 30 June 2025

Unleashing potential through connectivity.
Enabling better futures for Aotearoa.

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FY25 Overview

+1% EBITDA[1]

+3% FIBRE CONNECTIONS

-3% CAPITAL EXPENDITURE

+21% DIVIDEND

-5% ELECTRICITY USE[2]

-25% SCOPE 1 & 2 EMISSIONS[3]
AGAINST FY20 BASE YEAR

About this report

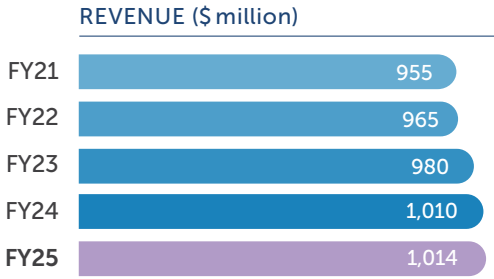
Our 2025 Annual Report covers the financial year ended 30 June 2025 (FY25) and includes aspects of our environmental, social and governance (ESG) performance.

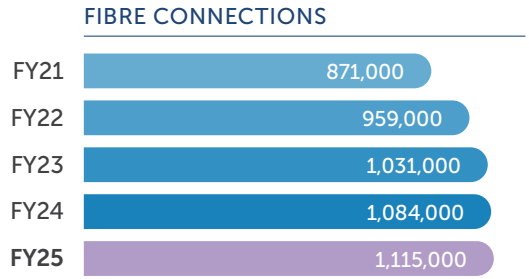
For additional ESG reporting, including emissions and climate-related information, please refer to our separate 2025 Sustainability Report and Climate Statements available at **company.chorus.co.nz/sustainability.**

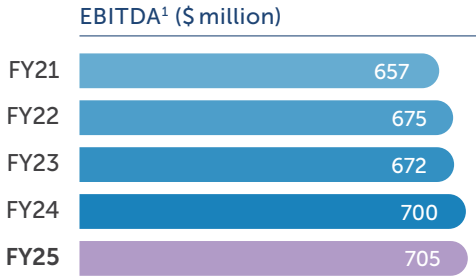
This report is dated 25 August 2025 and is signed on behalf of the Board of Chorus Limited by Mark Cross, Board Chair, and Kate Jorgensen, Chair of the Audit & Risk Management Committee.

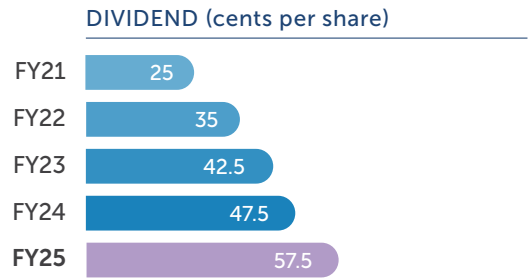
Mark Cross
Chair

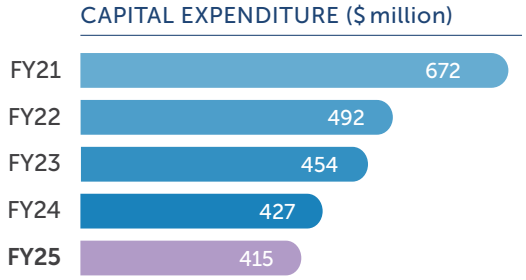
Kate Jorgensen
Chair Audit & Risk Management Committee

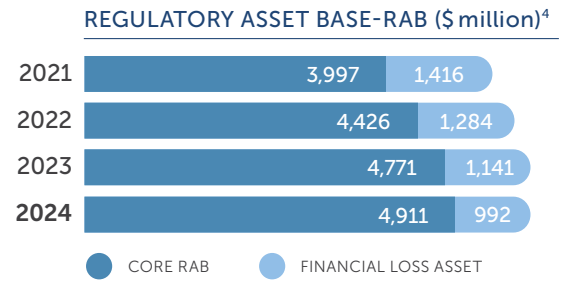












1 Earnings before interest, income tax, depreciation and amortisation (EBITDA) is a non-GAAP profit measure without a standardised meaning for comparison between companies. We monitor EBITDA as a key performance indicator and we believe it assists investors in assessing the performance of the core operations of our business.
2 4.8% reduction (rounded to 5%) in electricity use in FY25 against FY24. For Chorus' climate related information, please refer to the Climate Statements available at **company.chorus.co.nz/sustainability.**
3 In FY25, Chorus had a 25% reduction in scope 1 & 2 emissions against our FY20 base year, compared to a 39% reduction in FY24. This FY25 increase is primarily due to the use of the recently published Ministry for the Environment (MfE) emission factors for electricity, which increased by 39%.
4 As at 31 December.

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Dear Investors,

On behalf of your Board, I'm pleased to report that Chorus delivered revenue and EBITDA growth in FY25, proving the resilience of our digital infrastructure assets in a challenging economy.

These financial results were underpinned by the 1.2 million connections that enable our customers to live, learn, work and play. Our focus is on ensuring the high performance and reliability of our network as digital connectivity becomes increasingly essential to daily life.

We have announced a final unimputed dividend for the year of 34.5 cents per share, bringing total dividends for FY25 to 57.5 cents per share and meeting our objective to deliver real dividend growth. For FY26 we have provided dividend guidance of 60 cents per share, unimputed, subject to no material adverse changes in circumstances or outlook.

Fibre is the future

With regulatory settings for fibre confirmed to the end of 2028, Chorus is moving at pace to retire copper services. This reflects the new strategy developed by Chief Executive Mark Aue and his executive team for Chorus to become **"a simplified all-fibre business with 80% uptake by 2030"**. It's also consistent with global trends showing fibre replacing copper and cable networks as the preferred fixed network technology to meet ongoing growth in data demand.

As the world enters an AI-enabled era marked by unpredictable and rapidly escalating demand for bandwidth, latency, and reliability, fibre emerges as the critical infrastructure underpinning this transformation. Fibre's strengths—symmetrical speeds, ultra-low latency, and scalability—position it as the only technology capable of meeting the persistent, high-performance requirements of AI-driven applications. From agentic AI in homes and businesses to the data-intensive backbone of future digital services, fibre is a strategic asset essential to enabling and sustaining the next wave of technological and economic growth.

Legacy copper connections are already fewer than 8% of Chorus' total connections. Only 13,000 lines remain in our fibre areas where we expect to withdraw copper services completely by mid-2026. Another 79,000 lines are in areas where alternative fibre, wireless and satellite networks are available and customers are rapidly choosing those better alternatives.

As copper becomes an increasingly obsolete technology, copper services are getting more difficult and costlier to maintain. We no longer have the nationwide customer base that enabled cross-subsidisation between urban and rural areas when Chorus was part of Telecom. Our objective is to retire the copper network completely by 2030 and manage copper costs down as efficiently as possible. Ensuring a smooth transition for our copper customers over this period is paramount and we will work closely with government and other stakeholders to achieve this.

An infrastructure partnership milestone

A highlight of FY25 was our repayment of $170 million to the Government, the first partial repayment of the $1.3 billion received from the Government as interest-free financing to support the fibre rollout. This payment represents a significant milestone for New Zealand and shows the benefits that can be achieved when government works in partnership with the private sector to deliver forward-thinking infrastructure.

Chorus' primary focus remains our regulated fibre business, comprising about 83% of revenues in FY25 and for which the Commerce Commission approved a capital expenditure allowance of more than $1.1 billion for the new four-year regulatory period. This amount excludes potentially extending the fibre network to more New Zealanders, which we believe makes sound socio-economic sense but would require government support to be commercially feasible.

We are also exploring other unregulated revenue opportunities that could deliver additional long-term shareholder value. These opportunities must be core-adjacent and meet strict risk-return investment criteria as we are acutely aware of shareholders' expectations that Chorus will continue to provide the stable returns of a regulated utility.

Simplification for better customer outcomes

Although the weak economy slowed our network growth and put cost-of-living pressures on customers through the year, we added another 31,000 fibre connections. This lifted fibre demand to just over 72% of addresses passed. Our aspiration is 80% uptake by 2030 and we remain focused on our aspiration to achieve this.

The Board has worked closely with management to align on Chorus' new strategy. Dedicated strategy sessions were held to enable deeper discussion and develop clear priorities and measurable outcomes. The results of this work are reflected in the new LEAP strategy which is summarised in the following Chief Executive Officer's report.

Regular board education sessions ensure that we enhance our knowledge of areas important to our strategy and business. This year we covered topics such as the use of AI, alternative broadband technologies, societal trends, disruptive business building and climate transition planning.

Management began implementing the new strategy during FY25. There has been a sharper focus on prioritising activity to align with the goal of becoming a simpler and more efficient all-fibre business. Linked to this, Chorus continued to refine its organisational structure and introduce new capabilities as its focus shifts from build to operate.

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We have continued to deliver excellent improvements in customer outcomes by working with our channel and service partners. Various initiatives lifted customer satisfaction scores for fault restoration and intact provisioning above the targets we set for the year.

While implementation of the new strategy has meant ongoing change for our people, employee engagement has remained high at 8.4 out of ten. This places Chorus in the top 25% of the international technology sector we benchmark ourselves against.

The Board has updated the long-term incentive scheme to ensure management incentives are aligned with the new strategy and it retains its role as a motivational reward tool in line with shareholder outcomes.

Copper retirement enhances sustainability

Fibre networks are widely acknowledged as the greenest broadband technology because of their data transmission capacity relative to electricity use. In FY25, we carried 10% more data traffic than the prior year. This increase was carried entirely by the fibre network. By retiring legacy network equipment, we reduced our total electricity usage by a further 4.8% in the year. Usage is down 11.1% since FY20 and although this is below our FY25 target of a 15% reduction, we remain on-track for a 25% reduction by FY30.

Reduced electricity usage would typically help lower our emissions, but lower renewable generation across the national electricity grid in FY25 and an increase in Ministry for the Environment emissions factors meant our Scope 1 and 2 emissions were up about 1,500 tonnes from FY24. We remain confident that the retirement of the copper network and other initiatives will help us achieve our target of a 62% reduction by 2030.

Maintaining our sustainability focus

A check-in with stakeholders confirmed that network reliability and resilience remain the most material sustainability topics, followed by digital equity and inclusion.

Another topic that has received growing stakeholder focus is cybersecurity. Chorus only operates at a wholesale level and, therefore, has limited customer information compared to vertically integrated telecommunications companies. However, cyber threats are also relevant to the secure and reliable operation of our network and the Board monitors this risk closely.

Injury rates are below industry benchmarks and reducing as the volume of fibre network activity diminishes post-rollout. There were four recordable injuries in the year and these were of minor severity. We also remain vigilant of the treatment of our outsourced field technician workforce. Our worker welfare programme promotes best practice and monitors for potential issues. During the year, four companies were removed from working on our network.

At Chorus, we are committed to building a diverse and inclusive workplace because we believe it leads to better decision-making, a more innovative culture and stronger performance. We also see the benefits of diverse experiences and thinking styles at the Board level, where a mix of perspectives enhances governance and strategic oversight. As part of our broader inclusion goals, Chorus aspires to be an employer of choice, with a gender representation target of 40:40:20 across our workforce.

Further detail on sustainability topics is available in our standalone Sustainability Report, Modern Slavery Statement and Climate Statements at **company.chorus.co.nz/ sustainability**.

Confidence and clarity for the future

We are excited about enabling better digital futures for New Zealand. With regulatory clarity now provided through to 2029 and our pathway to an all-fibre business becoming increasingly clear through the retirement of copper, our future direction is clearer than ever.

While there is still work to be done to ensure customers can make informed choices about technology options, we are confident in the capability and superiority of fibre. There is no question that data demand will continue to grow and the proliferation of AI has the potential to fuel a significant step-up in consumption. The long-term need for high-capacity, reliable fibre is clear. We look forward to continuing to help unleash New Zealand's potential through connectivity.

We acknowledge and welcome the active engagement we have with our owners. This is critical to aligning expectations in relation to our strategy and performance. Thank you to our customers, our partners, our shareholders, our people and my board colleagues for your continuing support of Chorus.



Mark Cross
Chair

99% TOTAL LANDFILL WASTE DIVERTED

4.8% ELECTRICITY REDUCTION

25% SCOPE 1 & 2 EMISSIONS REDUCTION
AGAINST FY20 BASE YEAR

42% F / 58% M GENDER SPLIT

8.4
OUT OF 10
EMPLOYEE ENGAGEMENT

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Operating highlights

	FY23	FY24	FY25
Fixed line connections[5]	1,271,000	1,241,000	1,207,000
Data traffic (petabytes)	7,402	7,974	8,741
Average revenue per user	$53.25	$55.71	$58.98

Chorus' digital infrastructure delivered a resilient result despite a difficult year for the New Zealand economy and revenue headwinds from the retirement of legacy services.

The growing importance of digital connectivity was underlined by a 10% increase in data traffic, with our network carrying 8,741 petabytes during the year. Average monthly usage for fibre connections grew from 623GB to 671GB through FY25.

Revenue lifted from $1,010 million to $1,014 million despite copper-related revenues reducing by $39 million during the year. We absorbed this decline through continued growth in fibre connections, up by 31,000 in the year, and average revenue per user (ARPU) on GPON fibre services rising from $55.71 to $58.98. Some fibre revenue was deferred for a quarter because we shifted price increases from October 2024 to January 2025, to align with the start of the new regulatory period.

A copper cable recycling trial in the second half of FY25 contributed $3 million of net revenue. More legacy network equipment will be recycled over the coming years as the copper network is gradually retired.

Our simplification strategy and strong cost management held operating expenditure at $309 million, down $1 million from FY24. This was achieved despite continued inflation across various expense lines and increased regulatory levies, together with one-off costs for operating model changes and exploration of new revenue opportunities.

Our operating results produced FY25 EBITDA of $705 million, up from $700 million in FY24. Net earnings of $4 million were reported compared to a net loss of $9 million in FY24.

Gross capital expenditure of $415 million was down from $427 million in FY24, largely due to reducing fibre installation volumes. Net capital expenditure was $375 million when excluding capital contributions for roadworks, property development and government-backed deployment.

5 Includes several thousand partly subsidised education connections from FY24.

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1.0 A renewed purpose

In FY25 we reset Chorus' strategy, recognising the need for Chorus to evolve our operating model from the legacy as the 'great network builder' to the future as the 'great network operator'.

This strategy has an overarching purpose that guides everything we do, and not just through connectivity. This reflects the inter-generational role we play in enabling better futures across our country (see diagram opposite). This purpose is supported by a clear aspiration that provides the clarity and specificity of what future success looks like.

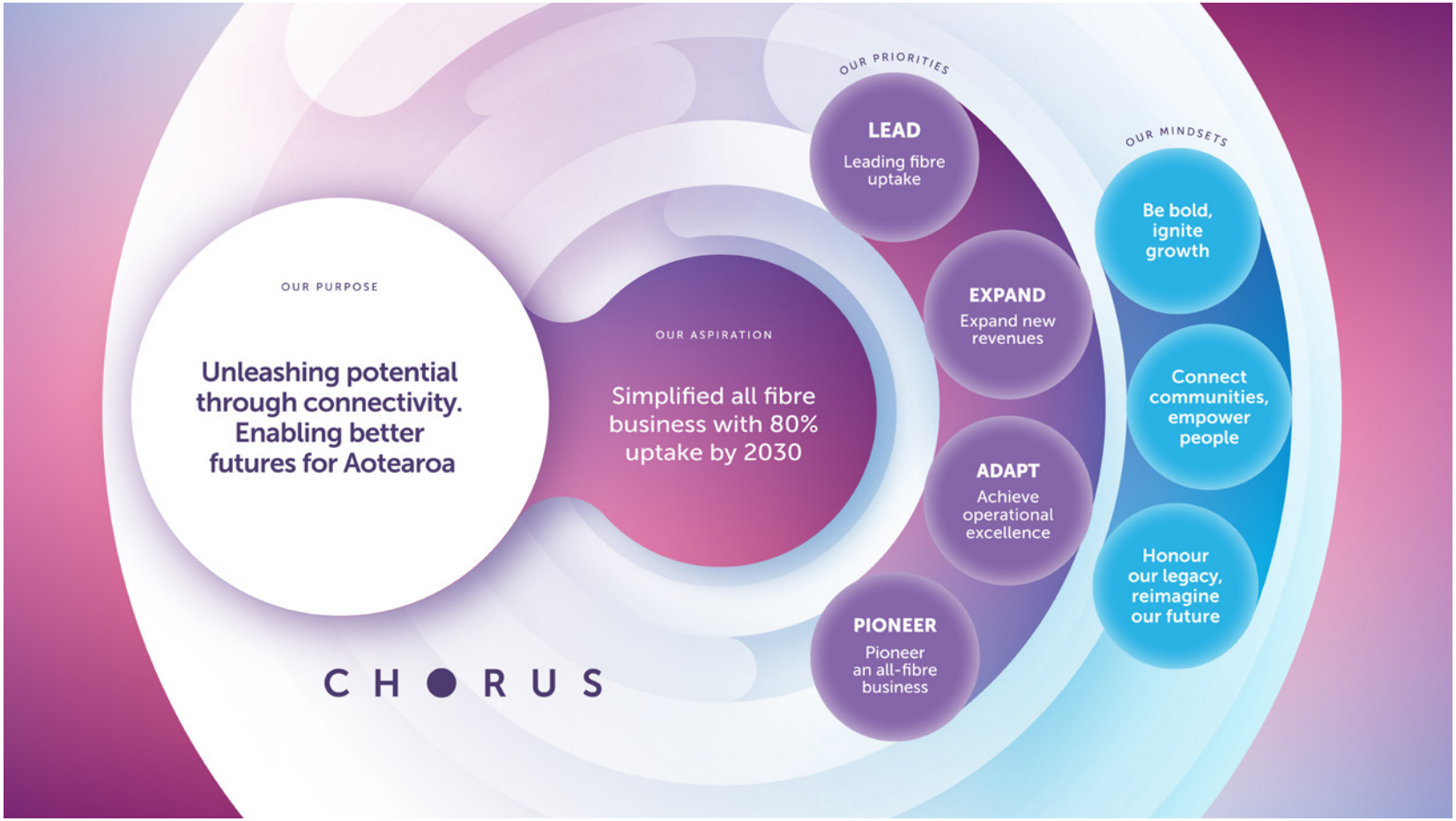
That is; "A Simplified all fibre business with 80% uptake by 2030."

Underpinning the strategy are four strategic pillars that we're using to frame our focus, priorities and decision-making across Chorus.

These are Lead, Expand, Adapt, and Pioneer. Or L.E.A.P.

The following sections summarise the progress made against these pillars in FY25.

If you'd like to learn more about our strategy reset please watch our December 2024 Investor Day video and accompanying presentation on our Investor Centre.

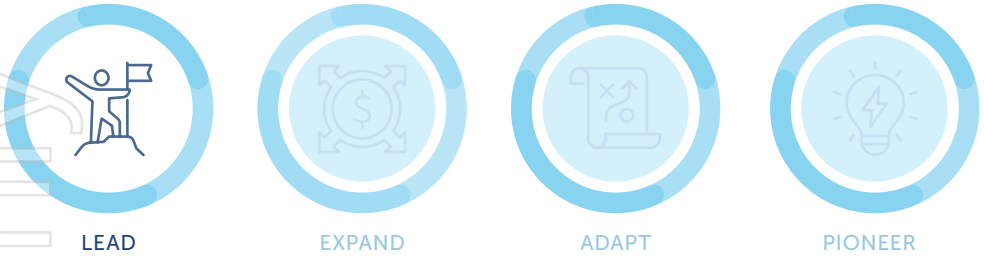


We see this strategy being achieved over a 10-year horizon with three distinct phases:

- Horizon 1 (FY25) has been about getting 'future fit for purpose', embedding strategy, changing organisation structure and building new capability to ensure we can achieve our future aspiration.
- Horizon 2 (FY26 to FY30) is where the benefits of change are realised progressively and Chorus is reflective of a simpler, more efficient, and more innovative and competitive business.
- Horizon 3 (beyond FY30) is the transition to a single state technology, switching off copper and becoming an all-fibre business.

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1.1 Leading fibre uptake



	FY23	FY24	FY25
All fibre connections	1,031,000	1,084,00	1,115,000
Addresses passed	1,477,000	1,506,000	1,532,000
Fibre uptake (% of addresses passed)[6]	69.3%	71.4%	72.1%
Average monthly data use (GB) - per fibre connection	585	623	671
Fibre customers using >1,000GB per month (%)	14%	16%	19%

We're adopting a challenger mindset to achieve our objective of 80% fibre uptake by 2030. To get there, we need approximately 240,000 more fibre connections, of which we expect just over half to come from new property builds and the rest from addresses we've already passed.

By the end of June, fibre uptake had reached 72.1%, up from 71.4% in FY24, after we added another 31,000 fibre connections. This increase in uptake was achieved despite our fibre footprint also growing by 26,000 addresses to 1,532,000 passed addresses.

Fibre connection growth was below the 53,000 connections added in FY24 due to the rapidly shrinking pool of copper customers remaining to migrate to fibre and slower new property development in the weak macroeconomic environment.

To help drive fibre uptake, we've been working with retailers to develop a range of new market propositions. For example, an initiative involving other local fibre companies created a national database of inactive fibre connections.

This made it easier for retailers to match opportunities against their own customer databases. We also developed campaigns directed at attractive market segments and launched a proof-of-concept trial for a digital equity service that could help lower socio-economic households.

Our business customer connections increased through the year as we continued to simplify and enhance our service offerings. We introduced a new symmetrical Hyperfibre 1Gbps plan (1,000Mbps download/upload) for small businesses and increased the committed information rate for small business plans to help avoid data degradation on collaborative applications. We also enhanced our fault restoration commitment for a wide range of business services, with faults reported before midday now expected to be fixed before 6pm the same day.

The continued weakness in the New Zealand economy, cost-of-living pressures and higher unemployment meant strong demand for our 50 megabits entry level consumer fibre plan through the year. Demand for this service grew by 41,000 lines to 88,000, compared to that growth of 31,000 lines in FY24. The majority of this growth was from offnet connections and new premises, with migration from higher-speed plans representing approximately a quarter of growth.

While we saw some reduction in the total number of consumer connections on 300Mbps plans, there was continued growth in demand for 1 gigabit per second (Gbps) plans and above, although the volume of trade-ups was lower than in prior years. Hyperfibre plans of 2 gigabits and above enjoyed increasing momentum as more retailers promote these services. Overall, services of one gigabit and above continue to account for 25% of our residential customer base.

In June, we boosted our 50 megabits plan to 100 megabits and our 300 megabits plan to 500 megabits. This speed boost covered services to more than 700,000 homes and was provided at no extra wholesale cost to retailers. The speed changes underline fibre's superior capability relative to other technologies and our market research shows that customers place high value on fibre's performance and reliability.

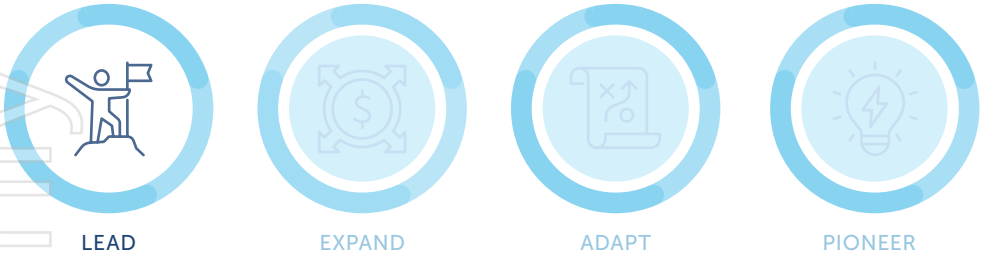
We expect our higher speed plans to continue to attract large data households and early adopters. However, we also see ongoing growth in data use across the full range of fibre plans as customer activity evolves. Average monthly usage for fibre connections grew from 623GB to 671GB through the year and about 19% of fibre customers consumed more than 1 terabyte of data (1,000 gigabytes) in June 2025, up from 16% the year before.

To put this growth in context, the 10% increase in total network traffic in FY25 was the equivalent of an additional 29,000 years of continuous high-definition streaming.

6 A new measure to calculate fibre uptake was adopted in FY24 to better reflect Chorus' expanding fibre footprint beyond the original UFB rollout areas. It includes addresses outside of local fibre company areas that have been passed by Chorus fibre.

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1.1 Leading fibre uptake continued

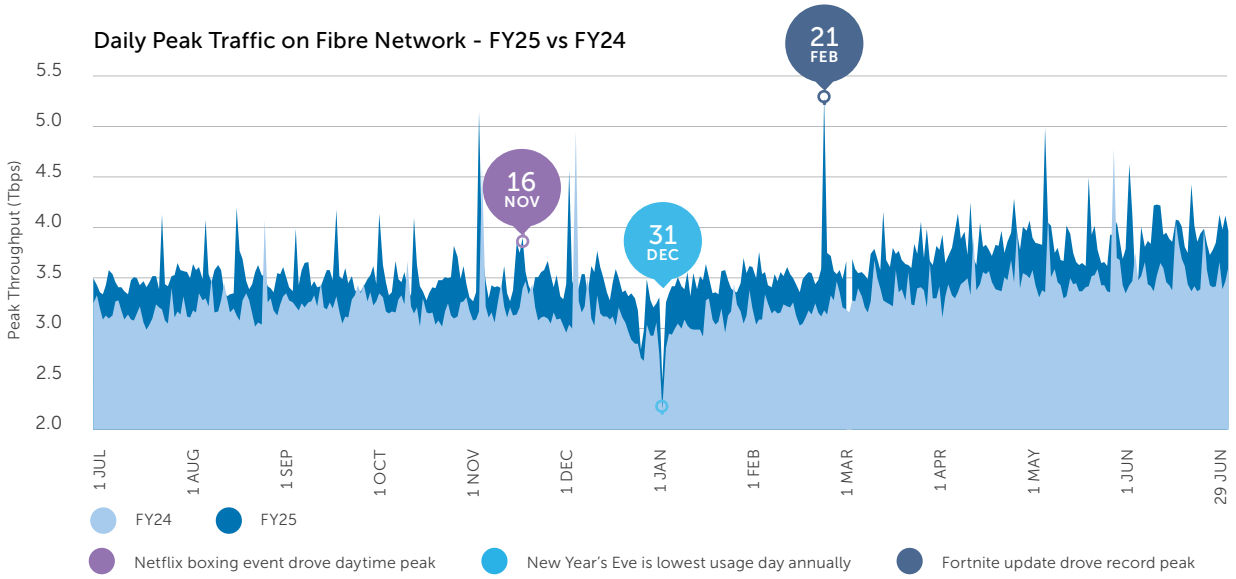


About half of Chorus' network traffic is streaming video and we forecast 1 terabyte to become the average monthly usage by 2029, as more customers switch their TV viewing from broadcast to streaming platforms and 4K content becomes more widely available. TVNZ, for example, has signalled its intent to become fully digital and, like other overseas broadcasters, is considering a future exit from free-to-air terrestrial television.

Such an exit would drive a significant lift in data consumption, particularly for older age groups that still favour traditional broadcast mediums. We are already seeing early examples of this broadcast platform shift with an increase in the number of high network traffic events, typically during peak evening hours. This is illustrated by the chart opposite showing daily traffic in FY24 compared to FY25. The lowest data traffic day is New Year's Eve while Fortnite gaming updates and Netflix's streamed boxing match in November drove notable peaks.

We remain resolute that the characteristics of fibre will only continue to highlight its superiority as consumer and enterprise needs evolve. Today, the primary focus is on downlink speed. In the future this will become just one of many differentiating qualities, where symmetrical uplink speed, latency and near live time connectivity will be critical. As practices for remote working, online education, telehealth, and cloud computing evolve, having scalable, future proof fibre technology is a significant advantage.

Artificial Intelligence (AI) is another potential disruptor. Market commentators have noted that while the exact network impact of AI usage is evolving, a step-change appears inevitable in the next decade. Such a change and the need for high capacity, together with greater upload and low latency, would further cement fibre's status as the globally preferred future-proofed technology. Conversely, it poses an inherent challenge for shared network technologies like fixed wireless that rely on current demand patterns and 'good enough' performance.



The number of peak traffic events continues to increase as more customer activity moves online. There were 17 peak traffic events in FY25 compared to 10 in FY24.

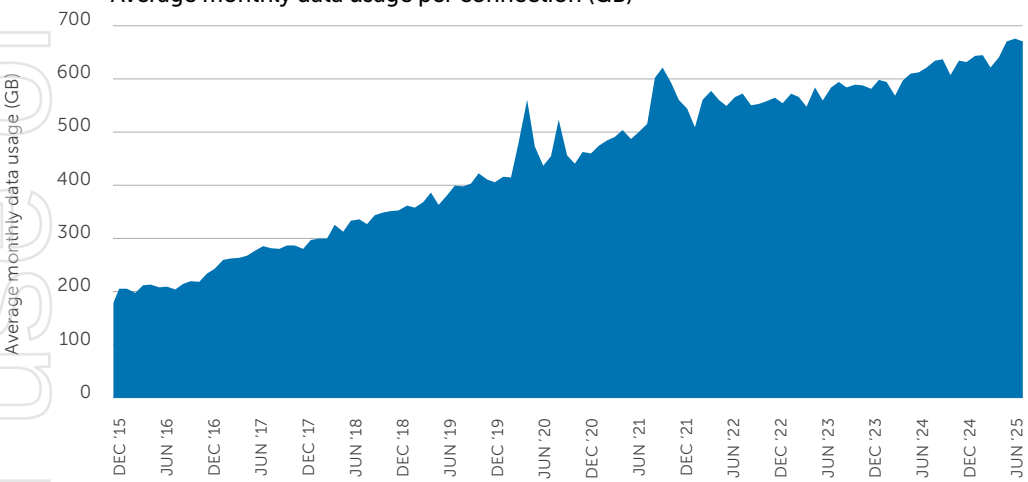
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What are the data use trends on our fibre network?

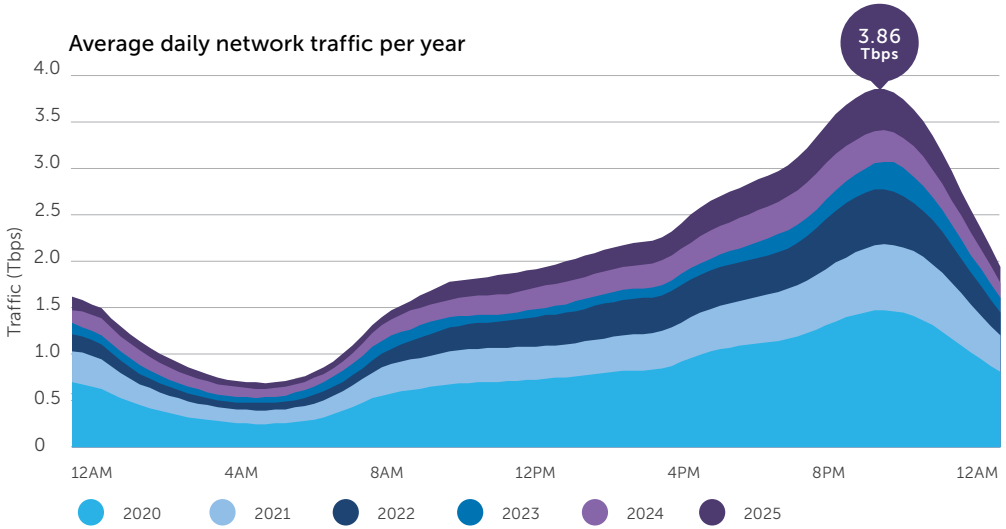
Kiwis keep using more data each year, consistent with bandwidth trends overseas.

Much of that data usage occurs in evening peak times due to activity such as video streaming and gaming. Video streaming on multiple devices at the same time generates frequent high-volume bursts of data within a household. Gaming updates often create above average peak time traffic on the Chorus network.

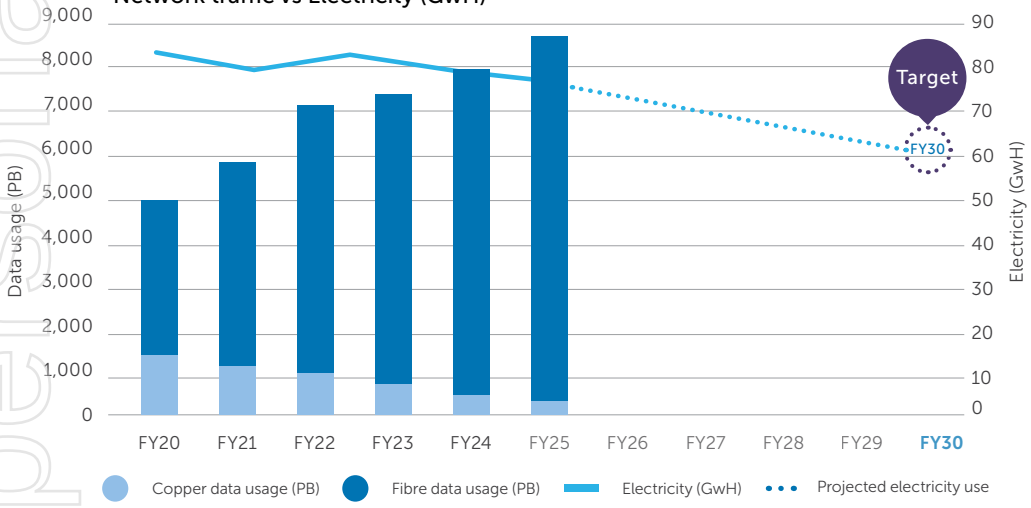
Average monthly data usage per connection (GB)



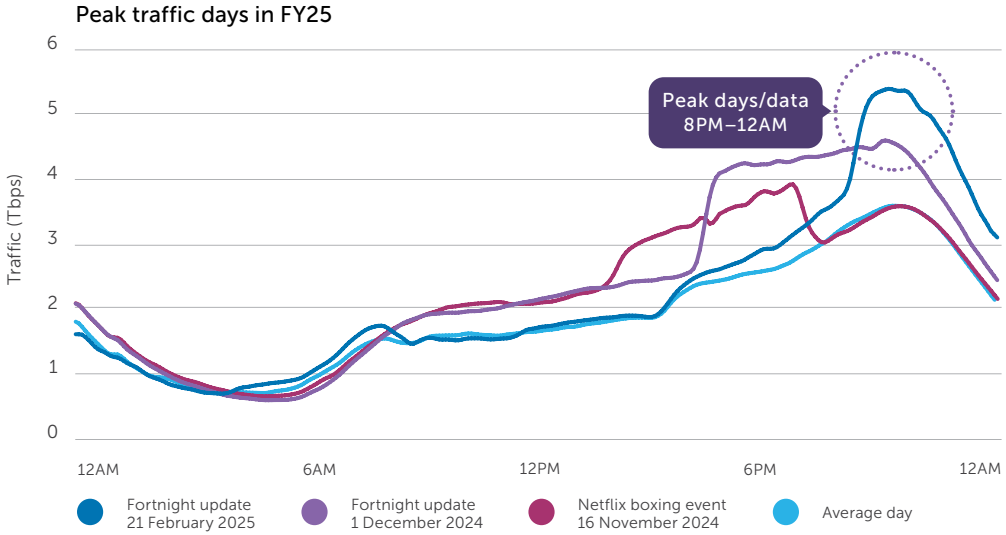
Average daily network traffic per year



Network traffic vs Electricity (GwH)

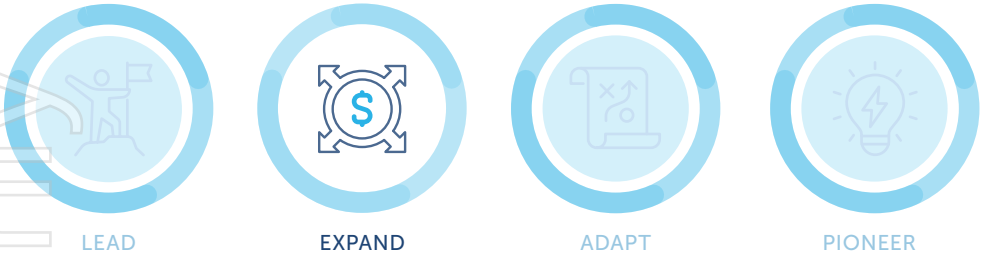


Peak traffic days in FY25



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1.2 Expand new revenues



	FY23	FY24	FY25
Smart locations	+19%	+16%	+23%
New property development – lots passed	33,000	27,000	24,000

Our new operating model has a dedicated Infrastructure team to focus on growing existing revenue categories and developing new opportunities that leverage our infrastructure assets. Their goal is to grow our annual infrastructure revenues from about $150 million in FY25 to approximately $180 million to $200 million by 2030.

Demand for new property development has stabilised back around pre-Covid levels of 20,000 to 25,000 lots a year. We expect this segment to return to growth once broader economic conditions improve. With this in mind, we revamped our processes and market proposition so it is easier for developers to realise the benefits of our open access fibre.

In the short term, the retirement of the copper network and the shutdown of a legacy fibre platform has resulted in some infrastructure-grade services migrating to cheaper fibre options or alternative networks.

We saw steady growth in connectivity across existing services such as smart locations (e.g. traffic cameras, digital billboards) and mobile backhaul. We had about 3,400 cellsite connections at year end and the number of smart locations lifted by another 23% to more than 2,500 connections.

Data centre development is creating an emerging growth market for fibre and we've launched an enterprise-grade solution, Express Connect, to simplify and accelerate data centre connectivity. The new service is designed for mission critical enterprise applications and enables remote provisioning into data centres in as little as four business hours, with no need for additional equipment or on-site technician support.

Demand for rack space across our five EdgeCentre co-location exchanges continued to grow, albeit at a gradual rate given the macroeconomic environment. We're considering how we might work with third parties to accelerate the edge opportunity.

In December, we commenced feasibility work on a potential Tasman Ring subsea project with Datagrid. We've been exploring this project because it could unlock a key connector role for Chorus in the burgeoning data centre ecosystem.

Our Memorandum of Understanding and engagement with Datagrid ended as the project did not meet our investment criteria. Chorus will continue to monitor future opportunities in the sector but this is no longer an area we are actively pursuing.

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1.3 Achieve operational excellence



	FY23	FY24	FY25
Customer satisfaction: fault restoration (12 month average)	7.7/10	8.6/10 (target 8.1)	**8.5/10 (target 8.4)**
Customer satisfaction: intact provisioning (3 month rolling average to June 2025)	7.3/10	7.7/10 (target 7.6)	**8.1/10 (target 7.9)**

Our Adapt pillar is about driving operational excellence across our organisation, through discipline and efficiency across systems and processes.

Customer satisfaction was a key area of focus as we continue to differentiate customers' experience of the fibre network from other technologies. We lifted our target for fault restoration performance to 8.4 in FY25 and succeeded in achieving a rolling twelve-month average of 8.5 in June. This reflected material improvements to average restore times and an initiative to reduce the timeframe given to customers for technicians to arrive, down from four to two hours.

For intact provisioning, we used data insights to focus initiatives on tailoring the connection process to different customer needs, reducing connection failures and streamlining delivery. This lifted customer satisfaction to a three-month rolling average of 8.1 in June, up from 7.7 last year and well above our target of 7.9 for the year.

In the second half of FY25 we undertook an internal change programme to get Chorus 'future fit' for the start of Horizon 2 in FY26. This programme built upon the matrix operating model we introduced in FY24, and involved the realignment of teams, roles and processes to better reflect the acceleration of our shift to an all-fibre focus.

The programme resulted in the reduction of about 10% of roles across Chorus in FY25, while also introducing new capability to support our focus on becoming a great network operator.

An example of this shift is the evolution of our Frontier team. They were originally focused on copper retirement and leading our Fibre Frontier network extension to more than 9,000 existing premises. With that rollout nearly complete, their scope has broadened to overseeing all activity related to the end-to-end retirement of the copper network. This includes the simplification of property and legacy infrastructure assets, supporting the optimisation of our non-core footprint.

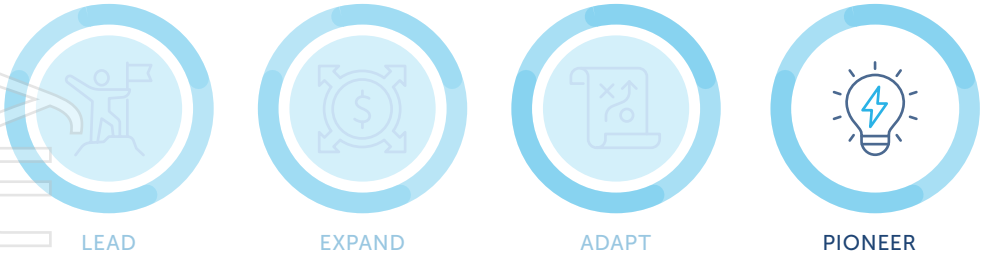
Another critical aspect of our ability to achieve operational excellence is the regulatory settings that apply to Chorus. Before Christmas, we received the Commerce Commission's final decision on our maximum allowable revenue through to the end of 2028. Together with improved operating and capital expenditure allowances, this final decision has provided the regulatory clarity needed for us to keep maximising fibre's socio-economic benefits for New Zealanders.

Importantly, the regulatory allowances for this next four-year period recognise more of Chorus' shared operating costs must be borne by the fibre network as the copper network is withdrawn. However, this only applies in our fibre areas, so we need to manage copper costs downwards as copper revenues elsewhere continue to fall.

In June, a review of the telecommunications sector was announced by the Ministry for Regulation. The review will consider whether current regulation remains fit for purpose in light of technology and market changes. This includes considering topics such as Chorus' shareholder cap, telecommunications service obligations and aspects of fibre services regulation. We welcome this opportunity to streamline the multiple layers of regulation that have been added to over decades. The review is scheduled to be completed over six months.

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1.4 Pioneer an all-fibre business



	FY23	FY24	FY25
Copper connections remaining	240,000	157,000	92,000
Direct copper operating expenditure	n/a	$54m	$45m
Copper reactive fault expenditure	$34m	$26m	$19m
Legacy metal network recycled (tonnes)	219	150	1,090

Our Pioneer strategy pillar is about retiring copper connections and assets by 2030 to simplify our business and identifying opportunities for commercial fibre expansion.

We started issuing copper withdrawal notifications in late 2021, when copper lines were still about one-third of our total connections. Today they make up fewer than 8% and there are just 13,000 copper lines remaining in our fibre areas. This part of the copper network will be shut down by mid-2026, about six months earlier than anticipated.

We continue to see a steady decline in connections outside of fibre areas as customers choose to migrate to alternative technologies such as fixed wireless and satellite. The number of remaining copper connections is also reducing because of our Chorus-funded Fibre Frontier rollout for more than 9,000 premises. About half of these premises were passed and ready for service at the end of the year, with about 1,200 already connected to fibre.

We're committed to implementing a clear, consumer-centric retirement process that supports the transition of the remaining copper customers to more modern and reliable services. In FY25, this included about 1,500 remote addresses on obsolete radio technology that was increasingly unreliable and uneconomic to maintain. We undertook a customer information campaign to help customers understand the alternatives available to them and most customers had migrated to these other options by the end of June.

Based on the rate of decline of copper services and market estimates, Chorus expects that satellite connections will very soon overtake the number of copper connections in rural areas. It is, therefore, unsurprising that the Commerce Commission recommended to Government in 2025 that the widespread availability of alternative wireless and satellite technologies means copper services should no longer be regulated.

As customers exit the copper network, we're progressively shutting down network equipment, such as broadband electronics in cabinets and exchanges. This is helping achieve electricity savings and lower associated carbon emissions, as well as reduce ongoing maintenance costs.

We're also considering options for larger scale asset rationalisation as we transition to an all-fibre network. This programme is linked to the pace of copper retirement outside Chorus' fibre areas and will evaluate the disposal of network sites and other assets.

During FY25 we ran a trial to recover and recycle redundant copper cables. The net proceeds from the trial were $3 million. Based on these early results, we estimate total net proceeds from copper cable recycling could be $30 million to $50 million over three to seven years as we progressively retire the network. This will be subject to factors such as volume, the cost of extraction and global copper prices.

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2.0 Outlook

Our December Investor Day outlined a reset in strategy and execution across three distinct Horizons. FY25 (Horizon 1) was foundational, marking the start of our transition to becoming the 'great network operator'.

This year, we laid the groundwork for that change - embedding a clear strategy, with the clarity and specificity of what future success looks like: "a simplified all fibre business with 80% uptake by 2030". We refined our operating model, disestablished legacy roles, and reinvested in new operational capabilities.

We sharpened our market position, promoting fibre as the gold standard in connectivity—vastly superior to alternatives like fixed wireless. Fibre isn't just better, it is technologically superior in every way that matters.

These changes have helped us keep growing fibre connections through FY25 and will be an ongoing advantage, with the economy expected to remain challenging for some time.

With fibre uptake already above 72%, our goal to reach 80% requires us to work in different ways. Innovation remains central, as exemplified by the recent speed boost for two of our popular plans, benefitting more than 700,000 homes. This signals where we're headed, with advanced fibre markets like Singapore already moving to 10Gbps speeds as standard.

As we transition into Horizon 2 (FY26–FY29) Chorus will continue to evolve, reflecting a business that is more simple, efficient, innovative and competitive.

A model for successful infrastructure investment

Through global engagement with investors and operators, it's clear New Zealand's early fibre adoption was a strategic advantage. The utility-style framework for fibre has also proved sensible and workable, and Chorus has begun repaying the Government financing that helped fund the initial fibre rollout, with the first payment of $170 million in June.

What's more, our approach has proven highly efficient, with local fibre company overbuild of households below 0.3%.[7]

7 Commerce Commission, Feasey Report on fibre telecommunications in NZ, p19.

Contrast this with countries like the United Kingdom where it is estimated that a third of premises passed by fibre have multiple fibre networks available.

Analysis from Deloitte estimates that fibre broadband has already contributed $31 billion to New Zealand's economy, with benefits forecast to grow to more than $140 billion over the next decade. Fibre-enabled industries – like film, gaming and cloud services – have flourished, and demand from AI and cloud computing is driving further fibre upgrades and data centre connectivity.

In parallel, we're on track to retire the remaining 13,000 copper connections within fibre areas by mid-2026, with full network retirement by 2030. This aligns with overseas markets, like Spain, with 89% fibre coverage and its copper network just retired. The wider EU is targeting 2030 for shutdown.

In the United States, AT&T is targeting copper retirement by 2029. They say while wireless technology has its place, fibre will win given its better performance, latency, resiliency, scalability and marginal cost. They forecast average monthly household data usage to grow by 80% over five years. That's in-line with our expectations of 1,000 gigabytes a month by 2029.

Expanding Fibre further

Our fibre rollout has stopped at 87% of the population, while other countries are going further. There's a risk that 'good enough' non-fibre solutions for the remaining 13% will only exacerbate the digital divide as broadband needs evolve.

We were, therefore, pleased when the government's Infrastructure Priorities Programme recently endorsed our proposal to expand fibre to 95% of New Zealanders. The only private sector proposal among 17 endorsed projects, it has a benefit-cost ratio of 6.3, based on an expected $17 billion in economic benefits for a cost of less than $3 billion. We're ready to start, with the ability to flex the rollout for funding and regional needs.

However, expansion benefits the communities where fibre reaches, rather than going to the network builder. Some form of public investment is needed but government endorsement doesn't guarantee any government funding.

Equally urgent is digital affordability, where a different approach is needed. Nearly 400,000 households have access but can't afford it. In an age where connectivity underpins everything from remote surgery to immersive virtual learning, participating in the digital economy must be a right, not a luxury.

We're committed to addressing this. We've established a new community fund to contribute to build costs in willing communities and launched a digital equity proof-of-concept trial with service providers. It's a complex challenge, but we're committed to finding real solutions for low-income households.

Future-Proofing New Zealand

To remain a global broadband leader, New Zealand must think long-term. Fibre isn't just the best technology today—it's the only infrastructure with the capacity, reliability, and scalability to meet the demands of tomorrow. Alternatives may complement connectivity, but they cannot compete with fibre's consistent performance, ultra-low latency, or ability to handle exponential data growth at minimal marginal cost.

Investing in fibre is not about keeping up, it's about staying ahead. As the digital economy accelerates, and technologies like AI, cloud computing, and immersive virtual experiences become everyday essentials, only fibre can provide the resilient backbone society will rely on.

We're not just building for today's needs, we're laying the foundation for decades of innovation, inclusion, and national resilience. The choices we make now will determine whether New Zealand leads or lags in the next wave of digital transformation. With fibre, we have the opportunity to lead. Let's not waste it.





Mark Aue
Chief Executive

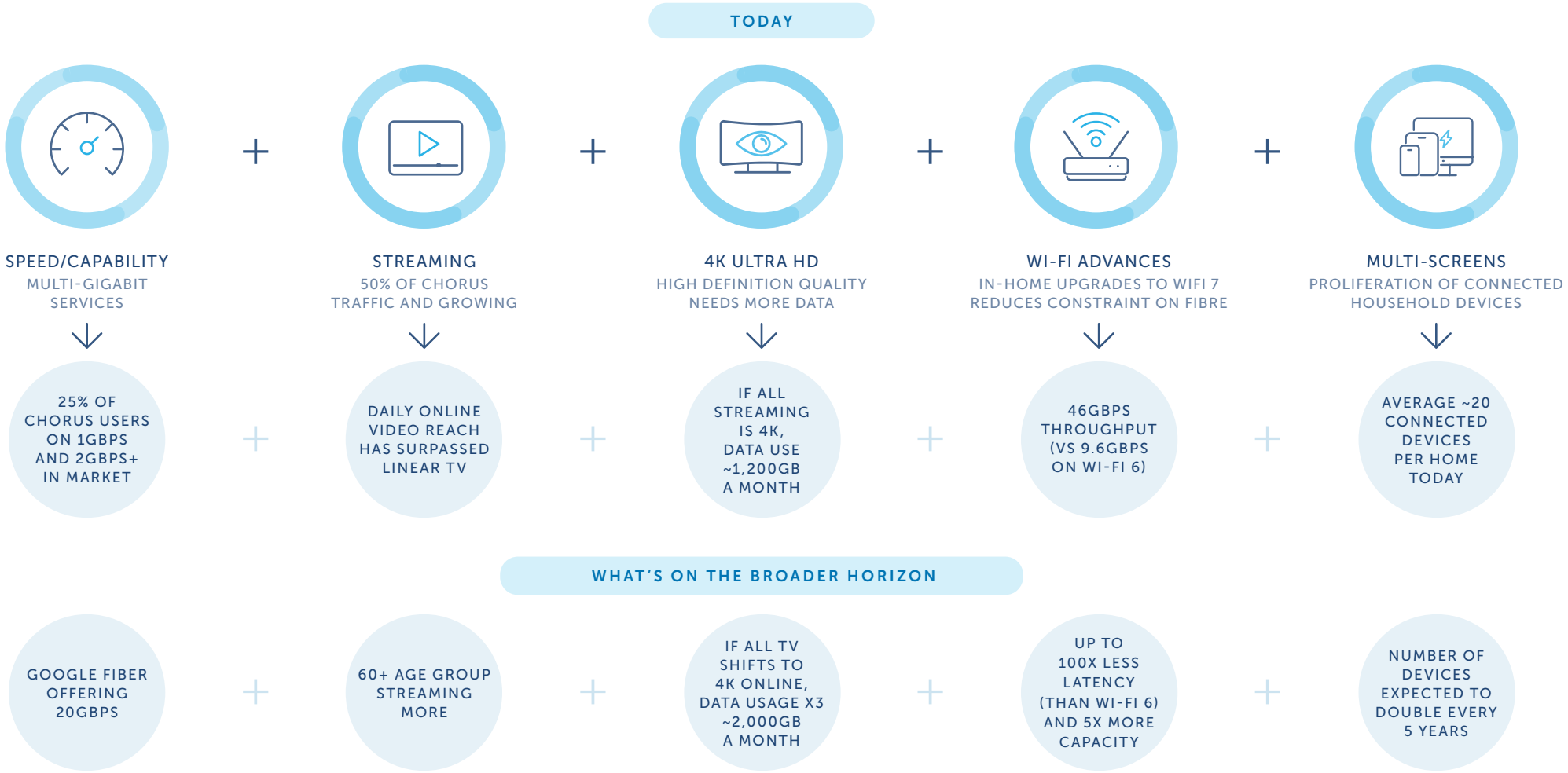
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What's driving data growth?

Advances in customer-facing technology and services, together with new ways to use data and changing customer habits, are all combining to drive increased bandwidth demand.

Fibre is meeting the need for high-quality broadband because of its efficiency in carrying more data at multi-gigabit speeds, together with its high reliability and fast response time.

A.I. is poised to transform global network traffic demand. Nokia forecasts global consumer A.I. traffic will represent 38% of all consumer broadband traffic by 2033. This is being driven by direct user interaction with A.I. applications (e.g. A.I.-assisted tasks, A.I.-powered gaming) and indirect traffic from A.I. algorithms increasing user engagement (e.g. personalised A.I. recommendations for streaming and online marketplaces).



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Looking ahead to 2030

We believe New Zealand was fortunate to begin investing in fibre in 2011. In the wake of the COVID pandemic, other countries are now making the shift to fibre.

Demand for high-quality broadband networks - characterised by high speeds, high reliability and low latency – continues to grow as data hungry digital applications become integral to economies and daily life.

TODAY

- **72.1% FIBRE UPTAKE** ON OUR NETWORK
- **19% OF FIBRE USERS** CONSUME 1,000GB+ PER MONTH
- **25% OF CUSTOMERS** ON RESIDENTIAL 1 GBPS PLAN OR FASTER
- **STREAMING** ~50% OF CHORUS TRAFFIC IS VIDEO
- **92,000** COPPER LINES REMAINING
- **ELECTRICITY USE** REDUCING AS COPPER SWITCHES OFF

WHAT'S ON OUR HORIZON FOR 2030

- **80% FIBRE UPTAKE** ON OUR NETWORK
- **1,000GB+** PER MONTH HAS BECOME THE NORM
- **MULTI GIGABIT** PLANS HAVE GONE MAINSTREAM
- **BROADCAST TV** HAS SHIFTED TO STREAMING
- **ALL–FIBRE BUSINESS** AS DEMAND FOR COPPER FADES
- **25% REDUCTION** FROM 2020 ELECTRICTY USE AS FIBRE ENABLES EFFICIENCY

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In summary

	2025 $M	2024 $M
Operating revenue	1,014	1,010
Operating expenses	(309)	(310)
Earnings before interest, income tax, depreciation and amortisation	**705**	**700**
Depreciation and amortisation	(474)	(462)
Earnings before interest and income tax	**231**	**238**
Net finance expense	(210)	(217)
Net earnings before income tax	**21**	**21**
Income tax expense	(17)	(30)
Net earnings/(loss) for the year	**4**	**(9)**

We report earnings before interest, income tax, depreciation, and amortisation (EBITDA) of $705 million for the year ended 30 June 2025 (FY25), an increase of $5 million from reported FY24 EBITDA of $700 million. This reflects a resilient result in the context of a challenging year for the New Zealand economy.

Revenues increased by $4 million to $1,014 million. This was driven by continued growth in fibre connections and ARPU, offsetting revenue headwinds from the retirement of legacy services.

Operating expenses of $309 million were $1 million lower than FY24. This included $9 million of one-off costs for operating model changes and exploration of new revenue opportunities.

Net earnings lifted to $4 million, compared to a net loss of $9 million in FY24. Lower interest costs helped offset increased depreciation expense from the retirement of the copper network, and the prior year included a one-off $15 million non-cash tax expense.

Capital expenditure was $415 million in FY25, down $12 million from FY24. Lower fibre installation volumes and copper-related spend was partially offset by a fibre extension project to more than 9,000 existing premises.

We will pay a final dividend of 34.5 cents per share on 7 October 2025, in line with guidance of a full-year dividend of 57.5 cents per share.

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Revenue commentary

	2025 $M	2024 $M
Fibre broadband (GPON)	745	697
Fibre premium (P2P)	64	69
Copper based broadband	56	83
Copper based voice	17	28
Data services copper	2	3
Field services products	64	67
Infrastructure	35	33
Value added network services	26	26
Other	5	4
Total revenue	**1,014**	**1,010**

Revenue overview

Chorus' product portfolio encompasses a range of wholesale broadband, data and voice services across a mix of regulated and commercial products. Revenues of $1,014 million were up $4 million from FY24, with growth in fibre revenues offsetting the decline in legacy service revenues.

We ended FY25 with total fixed line connections of 1,207,000, down 34,000 lines from the prior year. This reduction continues to largely be driven by the migration of copper connections to alternative networks in areas where Chorus does not have fibre available.

Connections	Connections 2025	Connections 2024	Connections 2023
Fibre broadband (GPON)	1,106,000	1,074,000	1,021,000
Fibre premium (P2P)	9,000	10,000	10,000
Copper VDSL	34,000	55,000	83,000
Copper ADSL	34,000	56,000	84,000
Data services over copper	-	1,000	1,000
Baseband copper	24,000	45,000	72,000
Total fixed line connections	**1,207,000**	**1,241,000**	**1,271,000**

Fibre broadband (GPON)

Fibre broadband revenue continued to grow and accounted for 73% of total revenues, up from 69% in FY24. Fibre broadband connections grew by 32,000 to 1,106,000, lifting fibre uptake to 72.1% of passed addresses from 71.4% in FY24. Average monthly revenue per fibre user grew from $55.71 to $58.98 in FY25, with price increases deferred by a quarter to January 2025.

Uptake of our Home Fibre Starter service grew by 41,000 connections in FY25 to 88,000 lines, representing 9% of residential fibre connections. Higher value multi-gigabit Hyperfibre and 1 Gbps services remained steady at 25% of residential fibre connections. The majority of customers are on our 500Mbps service, with a speed boost applied to the prior 300Mbps service in mid-June 2025.

Fibre premium (P2P)

Fibre premium revenues decreased by $5 million as we retired a legacy enterprise service platform and customers migrated to lower-priced services or alternative networks outside our GPON footprint.

Copper based revenues

Connection revenues across copper broadband and voice services continued to decline as customers migrate to fibre or alternative services. A 2.15% inflation-related price increase was applied to services in mid-December 2024.

Field services products

Field services revenues decreased by $3 million compared to FY24. This was driven by a $4 million decrease in new property development revenues to $22 million as the weaker economy saw volumes continue to decline from record post-COVID highs.

Infrastructure

A $2 million increase in infrastructure revenues was driven by a combination of wireless co-location and Edgecentre demand, together with higher data centre pass-through electricity billings.

Other

Other revenue included $3 million of net gains from the recycling of copper cabling as we retire the copper network and optimise our legacy assets.

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Expenditure commentary

Operating expenses

	2025 $M	2024 $M
Labour costs	85	80
Network maintenance	47	53
Information technology costs	40	44
Other network costs	37	37
Rent, rates and property maintenance	27	27
Electricity	22	22
Advertising	12	11
Consultants	9	6
Insurance	6	5
Regulatory levies	11	9
Other expenses	13	16
Total expenditure	**309**	**310**

Total operating expenses of $309 million in FY25 were down $1 million compared to FY24.

Labour

Labour costs of $85 million represent staff costs that are not capitalised and includes $5 million for operating model changes.

At 30 June 2025, we had 755 permanent and fixed term employees, down from 846 employees in FY24 due to operating model changes.

We capitalise labour costs and the associated overheads in relation to fibre build and connection activity. In FY25, about 44% of labour costs were capitalised, down from 47% in the prior year.

Network maintenance

Network maintenance costs decreased by $6 million from FY24. This largely reflected the continued reduction in copper fault volumes as copper connections decline and we optimise spend ahead of the copper network's retirement. Fibre-related costs increased slightly because of connection growth and inflation, but the fibre network has a significantly lower fault rate than copper services.

Information technology

Information technology costs decreased $4 million from FY24 as we continued to exit legacy systems.

Other network costs

Other network costs were flat year-on-year. This included $4 million of network and property optimisation spend as we retire copper network assets, consistent with the prior year.

Electricity

Electricity costs were flat year-on-year with a 5% reduction in electricity usage offset by increased electricity charges.

Consultants

Consultant spend increased by $3 million to support the exploration of new revenue opportunities.

Depreciation and amortisation expense

	2025 $M	2024 $M	Estimated useful life (years)	Weighted average useful life (years)
Depreciation				
Fibre cables	139	135	20-30	20
Ducts, poles, and manholes	90	80	20-50	48
Copper cables	75	74	10-25	20
Cabinets	16	17	5-20	13
Network electronics	71	70	2-25	9
Right of use assets	13	14	5-25	18
Other	13	13	2-25	14
Buildings	3	2	10-50	45
Less: crown funding	(30)	(31)		
Total depreciation	**390**	**374**		
Amortisation expense				
Software and other intangibles	51	57		
Customer acquisition assets	33	31		
Total amortisation expense	**84**	**88**		
Total depreciation and amortisation expense	**474**	**462**		

During FY25, $415 million of expenditure on network assets and software was capitalised.

Depreciation expense was up $16 million compared to FY24. Depreciation across all copper assets lifted by $9 million to $99 million in FY25. Copper cables in Chorus UFB areas were fully depreciated in June 2025. Copper cables and copper related ducts and poles in local fibre company areas will be fully depreciated by June 2026. Copper cables and poles in non-fibre areas will be fully depreciated by June 2030.

Software and other intangibles largely consist of the software components of billing, provisioning and operational systems.

Chorus expects that incremental costs incurred in acquiring new contracts with new and existing customers are recoverable. These costs are capitalised as customer acquisition assets and amortised against revenue or within amortisation expense, depending on their nature. In the period to 30 June 2025, $33 million was recognised as amortisation expense.

The offset of Crown funding against depreciation will continue to amortise as a credit to the associated depreciation expense.

The weighted average useful life represents the useful life in each category weighted by the net book value of the assets.

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Finance income and expense

(Income)/expense	2025 $M	2024 $M
Finance income	**(2)**	**(5)**
Finance expense		
Interest on syndicated bank facility	12	9
Interest on European Medium Term Notes (EMTN)	71	88
Interest on Australian Medium Term Notes (AMTN)	21	19
Interest on fixed rate NZD Bonds	42	38
Interest on capital notes	1	–
Capitalised interest	(2)	(1)
Interest costs	**145**	**153**
Other interest expense	18	25
Ineffective portion of changes in fair value of cash flows hedges	(4)	(3)
Total finance expenses excluding NIFF securities (notional interest)	**159**	**175**
NIFF securities (notional) interest	53	47
Total finance expense	**212**	**222**

Finance expenses were $10 million lower than FY24. Interest costs reduced by $8 million with the weighted effective interest rate decreasing from 5.77% to 5.39%.

Capital notes of $170 million were issued in June 2025, replacing the equivalent amount of Crown securities originally issued under the UFB public-private partnership. Notional interest on the Crown securities increased by $6 million in the year.

Chorus fully hedges the foreign exchange exposure on all foreign debt with cross-currency interest rate swaps. Approximately 70% of our floating interest rate exposure was hedged with fixed interest rate swaps.

Other interest expense includes lease interest of $11 million (FY24: $11 million) and amortisation arising from the difference between fair value and proceeds realised from interest rate swap resets of $7 million (FY24: $7 million).

Taxation

The FY25 effective tax rate is 84% (FY24: 143%, normalised 68%).

Tax expense is higher than the statutory rate of 28% because accelerated depreciation of copper assets is reducing net earnings, and due to permanent differences between tax and accounting arising from the tax treatment of the grants received from Crown project-related funding. FY24 included a one-off deferred tax expense of $15 million, following a law change for deductibility of depreciation for commercial buildings.

The interest expense and depreciation credit recognised in the income statement for NIFF securities are non-taxable as confirmed by binding IRD rulings. Government grants have also been received for funding of specific projects. The amortisation of the government grants, along with the accounting depreciation recognised in the income statement, are non-taxable and no tax depreciation is claimed on the assets.

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Capital expenditure commentary

	2025 $M	2024 $M
Sustaining capital expenditure	205	205
Discretionary growth capital expenditure	210	222
Gross capital expenditure	**415**	**427**
Less Third-party contributions	(40)	(55)
Net capital expenditure	**375**	**372**

Gross capital expenditure in FY25 was $415 million, down $12 million from FY24. Within this total, sustaining capital expenditure – to maintain, replace or improve an existing asset – was flat year-on-year at $205 million.

Discretionary growth capital expenditure was down $12 million. Reduced fibre installation spend was partly offset by increased spend on footprint expansion.

Gross capital expenditure was supported by $4 million of Crown funding (e.g. government grants for regional network upgrades) and $36 million of customer contributions (e.g. roadworks and new property development contributions). Capital expenditure attributable to the regulated asset base (RAB) for fibre, which excludes capital contributions, is estimated to be about $340 million.

Copper capital expenditure decreased by $7 million from FY24. This included about $8 million of grant funded rural network upgrades and contribution-funded roadworks activity.

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Long term capital management

We will pay a final unimputed dividend of 34.5 cents per share on 7 October 2025 to all shareholders registered at 5.00pm 16 September 2025. The shares will be quoted on an ex-dividend basis from 15 September 2025. As the dividend is unimputed, there will be no supplementary dividend payable to shareholders outside of New Zealand.

The dividend reinvestment plan will not be available for the final dividend.

Dividend guidance for FY26 has been set at 60 cents per share, subject to no material adverse changes in circumstance or outlook. The FY26 dividend will be unimputed.

The Board considers that a 'BBB' or equivalent credit rating is appropriate for a company such as Chorus. It intends to maintain capital management and financial policies consistent with these credit ratings. It is Chorus' intention that in normal circumstances the ratio of net debt to EBITDA will not materially exceed 4.75 times. At 30 June 2025, we had a long-term credit rating of BBB/stable outlook by Standard & Poor's and Baa2/stable by Moody's Investors Service.

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FINANCIAL STATEMENTS

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Independent Auditor's Report

KPMG

To the shareholders of Chorus Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2025;
- the consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Chorus Limited (the Company) and its subsidiaries (the Group) on pages 28 to 70 present fairly in all material respects:

i. the Group's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date;

ii. In accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $9.0 million determined with reference to a benchmark of the Group's total revenues. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) **(ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Chorus Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) **(IESBA Code)**, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to climate related assurance, regulatory assurance and risk related workshop facilitation. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

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The key audit matter	How the matter was addressed in our audit
Recoverability of assets	
Refer to Note 1 and 2 to the Financial Statements. Capitalisation and the carrying value of assets are a key audit matter due to the significance of assets to the Group's consolidated statement of financial position, and due to the judgement involved in determining the carrying value of assets, principally: — decision to capitalise or expense costs relating to the network and IT spend. This depends on whether the expenditure is to enhance the network (capitalise) or to maintain the current operating capability of the network (expense); — estimation of the useful life of the asset once the costs are capitalised; — obsolescence and impairment risk; and — uncertainty of the impact of ongoing technological chance, transitioning to a new regulated model, movement towards a fibre future and retail service provider/local fibre company behaviour.	Our audit procedures included: — examining controls to settle costs to the fixed asset register, monitor labour costs and capex spend and approval of the asset life review. — sample testing of capital expenditure to determine whether the service or item meets both Chorus' capitalisation policy and the capitalisation criteria per the applicable accounting standard and verifying that the amount is accurately recorded in the fixed asset register. — assessing, on a sample basis, whether internal projects meet the criteria for capitalisation. — assessing whether labour rates applied in capitalising employee and contractor time for a sample of personnel were consistent with employee career level and contracts or invoices. — examining labour rates applied when capitalising employee time, ensuring these are consistent with the employee career level per their most recent contract/ variation. We reviewed, on a sample basis, the amount of labour cost capitalised against salaries or invoiced time, at an individual employee level, to ensure the amount of labour cost capitalised does not exceed an individual's salary or invoiced time. — performing data analytical procedures over capitalised labour spend for the period and useful lives of assets in the fixed asset register to identify any unusual trends. — assessing the allocated useful economic lives of the assets, by comparing to industry benchmarks and our knowledge of the business and its operations and technology changes anticipated.
Chorus Funding	
Refer to Note 4, 5, 6, 7 and 19 to the financial statements. As at 30 June 2025 Chorus has: External borrowings of $3,138 million (30 June 2024: $2,626 million) Crown funding of $903 million (30 June 2024: $929 million) The external borrowings, CIP securities, cross-currency and interest rate derivatives are a key audit matter due to their significance to the Group's consolidated statement of financial position and the complexity and judgement involved in determining the appropriate valuation and accounting treatment for the CIP securities and cross-currency and interest rate derivatives.	Our audit procedures included: — use of KPMG specialists to independently revalue interest rate derivatives using models and inputs which are independent to those utilised by Management. — agreeing the terms of the derivatives to the confirmation provided by the derivative counterparty. — use of KPMG specialists to evaluate the hedge effectiveness of derivatives hedging EMTN, AMTN and Capital notes and NZD Bonds by independently modelling future changes in the value of these instruments to assess whether the underlying derivatives were effective hedging instruments. — verifying that all the adjustments made in relation to the first CIP repayment and Capital Notes issuance are in line with the relevant accounting standard and agree to relevant supporting documentation. — use of KPMG specialists to review the hedge documentation of the Capital Notes against requirements of IFRS 9,and confirming this has been appropriately set up in the Treasury system. — assessing for changes to the accounting treatment of the CIP securities and verifying the carrying amount is in-line with the accounting models. — confirming debt with funders, including newly drawn debt during the period, sighting repayments and reviewing compliance with covenant requirements. — assess the disclosures in the financial statements to ensure these are complete and accurate in accordance with the applicable accounting standards.

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Other information

The Directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual Report. This being Chorus' operating, marketing and regulatory overviews, management commentary and disclosure relating to corporate governance and statutory information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor's report.



KPMG
Wellington
25 August 2025

Consolidated income statement

For the year ended 30 June 2025

	Note	2025 $M	2024 $M
Operating revenue	9	1,014	1,010
Operating expenses	10	(309)	(310)
Earnings before interest, income tax, depreciation and amortisation		**705**	**700**
Depreciation	1,7	(390)	(374)
Amortisation	2,3	(84)	(88)
Earnings before interest and income tax		**231**	**238**
Finance income		2	5
Finance expense	4	(212)	(222)
Net earnings before income tax		**21**	**21**
Income tax expense	14	(17)	(30)
Net earnings/(loss) for the year		**4**	**(9)**
Earnings per share			
Basic earnings/(loss) per share (dollars)	17	0.01	(0.02)
Diluted earnings/(loss) per share (dollars)	17	0.01	(0.02)

Consolidated statement of comprehensive income

For the year ended 30 June 2025

	Note	2025 $M	2024 $M
Net earnings/(loss) for the year		**4**	**(9)**
Other comprehensive income			
Movements in effective cash flow hedges	19	(61)	(12)
Amortisation of de-designated cash flow hedges transferred to Consolidated income statement	19	4	5
Movement in cost of hedging reserve	19	2	(9)
Items that will be reclassified subsequently to Consolidated income statement when specific conditions are met net of tax		**(55)**	**(16)**
Net revaluation of land and buildings	1	–	7
Items that will not be reclassified subsequently to Consolidated income statement when specific conditions are met net of tax		**–**	7
Total comprehensive loss for the year net of tax		**(51)**	**(18)**

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of financial position

As at 30 June 2025

	Note	2025 $M	2024 $M
Current assets			
Cash and call deposits	15	81	45
Trade and other receivables	11	152	154
Derivative financial instruments	19	1	1
Total current assets		**234**	**200**
Non-current assets			
Derivative financial instruments	19	238	98
Trade and other receivables	11	7	4
Customer acquisition assets	3	71	67
Software and other intangible assets	2	140	142
Network assets	1	5,016	5,126
Land and buildings	1	382	375
Total non-current assets		**5,854**	**5,812**
Total assets		**6,088**	**6,012**
Current liabilities			
Trade and other payables	12	239	230
Income tax payable		3	–
Lease payable	5	15	12
Debt	4	220	110
Total current liabilities excluding NIFF and Crown funding		**477**	**352**
National Infrastructure Funding and Financing (NIFF) securities	6	–	160
Crown funding	7	28	28
Total current liabilities		**505**	**540**

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of financial position (continued)

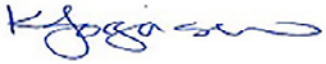
As at 30 June 2025

	Note	2025 $M	2024 $M
Non-current liabilities			
Trade and other payables	12	11	13
Deferred tax liability	14	378	386
Derivative financial instruments	19	60	72
Lease payable	5	147	159
Debt	4	2,918	2,516
Total non-current liabilities excluding NIFF and Crown funding		**3,514**	**3,146**
National Infrastructure Funding and Financing (NIFF) securities	6	627	584
Crown funding	7	875	901
Total non-current liabilities		**5,016**	**4,631**
Total liabilities		**5,521**	**5,171**
Equity			
Share capital	16	578	578
Reserves	1,19	267	322
Retained earnings		(278)	(59)
Total equity		**567**	**841**
Total liabilities and equity		**6,088**	**6,012**

The consolidated financial statements are approved and signed on behalf of the Board.



Mark Cross
Chair



Kate Jorgensen
Chair, Audit & Risk Management Committee

Authorised for issue on 25 August 2025

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity

For the year ended 30 June 2025

	Note	Share capital $M	Revaluation reserve $M	Other reserves $M	Retained earnings $M	Total $M
Balance at 1 July 2023		589	265	66	143	1,063
Comprehensive income						
Net loss for the year		–	–	–	(9)	(9)
Other comprehensive income						
Movement in cash flow hedge reserve	19	–	–	(12)	–	(12)
Amortisation of de-designated cash flow hedges transferred to Income statement	19	–	–	5	–	5
Movement in cost of hedging reserve	19	–	–	(9)	–	(9)
Movement in revaluation reserve	1	–	7	–	–	7
Total comprehensive (loss)/income for the year net of tax		**–**	**7**	**(16)**	**(9)**	**(18)**
Contributions by and (distributions to) owners:						
Dividends	16	–	–	–	(193)	(193)
Share buy-back	16	(11)	–	–	–	(11)
Total transactions with owners		**(11)**	**–**	**–**	**(193)**	**(204)**
Balance at 30 June 2024		**578**	**272**	**50**	**(59)**	**841**
Comprehensive income						
Net earnings for the year		–	–	–	4	4
Other comprehensive income						
Movement in cash flow hedge reserve	19	–	–	(61)	–	(61)
Amortisation of de-designated cash flow hedges transferred to Income statement	19	–	–	4	–	4
Movement in cost of hedging reserve	19	–	–	2	–	2
Total comprehensive (loss)/income for the year net of tax		**–**	**–**	**(55)**	**4**	**(51)**
Contributions by and (distributions to) owners:						
Dividends	16	–	–	–	(223)	(223)
Total transactions with owners		**–**	**–**	**–**	**(223)**	**(223)**
Balance at 30 June 2025		**578**	**272**	**(5)**	**(278)**	**567**

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows

For the year ended 30 June 2025

	Note	2025 $M	2024 $M
Cash flows from operating activities			
Cash was provided from/(applied to):			
Receipts from customers		1,019	1,007
Payment to suppliers and employees		(310)	(334)
Interest paid		(152)	(165)
Interest received		2	5
Net cash flows provided from operating activities		**559**	**513**
Cash flows applied to investing activities			
Cash was provided from/(applied to):			
Purchase of network and intangible assets		(397)	(442)
Proceeds from sale of network and intangible assets		3	1
Capitalised interest paid		(2)	(1)
Net cash flows applied to investing activities		**(396)**	**(442)**
Cash flows from financing activities			
Cash was provided from/(applied to):			
Payment of lease liabilities		(14)	(16)
Crown funding		4	12
Repayment of NIFF securities		(170)	–
Proceeds from debt		662	574
Repayment of debt		(385)	(468)
Repurchase of shares		–	(11)
Shares vested under LTI		(1)	–
Dividends paid		(223)	(193)
Net cash flows applied to financing activities		**(127)**	**(102)**
Net cash flows		**36**	**(31)**
Cash at the beginning of the year		45	76
Cash at the end of the year	15	**81**	**45**

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows (continued)

Reconciliation of net earnings/(loss) to net cash flows from operating activities

	Note	2025 $M	2024 $M
Net earnings/(loss) for the year		**4**	**(9)**
Adjustment for:			
Depreciation of network assets	1	420	405
Amortisation of Crown funding	7	(30)	(31)
Amortisation of software and other intangible assets	2	51	57
Amortisation of customer acquisition assets	3	37	35
Movements in tax	14	17	30
Ineffective portion of changes in fair value of cash flow hedges	4	(4)	(3)
Amortisation of non-cash finance expenses		4	4
NIFF securities (notional) interest	4	53	47
Proceeds from sale of network and intangible assets		(3)	–
Other		7	5
		556	**540**
Change in current assets and liabilities:			
Decrease/(increase) in trade and other receivables	11	1	(5)
Increase/(decrease) in operating trade payables	12	2	(22)
		3	**(27)**
Net cash flows from operating activities		**559**	**513**

The accompanying notes are an integral part of these consolidated financial statements.

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Consolidated statement of cash flows (continued)

Reconciliation of movements of liabilities and equity to cash flows arising from financing activities

	Debt $M	Crown funding $M	NIFF securities $M	Lease payable $M	Share capital $M	Retained earnings $M
Balance at 1 July 2023	2,528	948	697	181	589	143
Movements from financing cash flows						
Payment of lease liabilities	–	–	–	(16)	–	–
Proceeds from debt	574	12	–	–	–	–
Repayment of debt	(468)	–	–	–	–	–
Repurchase of shares	–	–	–	–	(11)	–
Dividends paid	–	–	–	–	–	(193)
Total changes from financing cash flows	**106**	**12**	**–**	**(16)**	**(11)**	**(193)**
Other cash flows						
Interest paid on leases	–	–	–	(11)	–	–
Non-cash movements						
Movements in fair value (including foreign exchange rates)	(12)	–	–	–	–	–
Transaction costs and amortisation related to financing	4	(31)	–	–	–	–
Notional interest	–	–	47	–	–	–
Lease movements	–	–	–	5	–	–
Net loss for the year ended 30 June 2024	–	–	–	–	–	(9)
Balance at 30 June 2024	**2,626**	**929**	**744**	**159**	**578**	**(59)**
Movements from cash flows						
Payment of lease liabilities	–	–	–	(14)	–	–
Proceeds from debt	662	4	–	–	–	–
Repayment of debt	(385)	–	(170)	–	–	–
Dividends paid	–	–	–	–	–	(223)
Total changes from financing cash flows	**277**	**4**	**(170)**	**(14)**	**–**	**(223)**
Other cash flows						
Interest paid on leases	–	–	–	(11)	–	–
Non-cash movements						
Movements in fair value (including foreign exchange rates)	231	–	–	–	–	–
Transaction costs and amortisation related to financing	4	(30)	–	–	–	–
Notional interest	–	–	53	–	–	–
Lease movements	–	–	–	13	–	–
Net earnings for the year ended 30 June 2025	–	–	–	–	–	4
Balance at 30 June 2025	**3,138**	**903**	**627**	**147**	**578**	**(278)**

The accompanying notes are an integral part of these consolidated financial statements.

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Notes to the consolidated financial statements

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Reporting entity and statutory base

Chorus includes Chorus Limited together with its subsidiaries.

Chorus is New Zealand's largest fixed line communications infrastructure business. It maintains and builds a network predominantly made up of fibre and copper cables, local telephone exchanges and cabinets.

Chorus Limited is a profit-oriented company registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. Chorus Limited was established as a standalone, publicly listed entity on 1 December 2011, upon its demerger from Spark New Zealand Limited (Spark, previously Telecom Corporation of New Zealand Limited). The demerger was a condition of an agreement with National Infrastructure Funding and Financing (previously Crown Infrastructure Partners Limited and Crown Fibre Holdings) to enable Chorus Limited to provide the majority of the Crown's Ultra-Fast Broadband (UFB) network. Chorus Limited is listed and its ordinary shares are quoted on the NZX main board equity security market (NZX Main Board) and on the Australian Stock Exchange (ASX) and has bonds quoted on the NZX and ASX debt markets. American Depositary Shares, each representing five ordinary shares (and evidenced by American Depositary Receipts), are not listed but are traded on the over-the-counter market in the United States.

These consolidated financial statements (financial statements) have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and Part 7 of the Financial Markets Conduct Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

These financial statements are expressed in New Zealand dollars. All financial information has been rounded to the nearest million, unless otherwise stated.

The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of financial instruments, and land and building assets as identified in the specific accounting policies below and the accompanying notes.

Some comparatives have been re-presented to reflect the current year classification. This has led to no impact on working capital, the consolidated statements of cash flows, or equity.

Accounting policies and standards

Accounting policies that summarise the measurement basis used which are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted, and methods of computation have been applied consistently throughout the periods presented in these financial statements.

In the current year, Chorus has applied new standards, amendments to standards and interpretations that are effective for its annual reporting period commencing 1 July 2024. Their adoption has not had any material impact on the disclosures or amounts reported in these financial statements. No new standards, amendments or interpretations to existing standards that are not yet effective have been early adopted by Chorus in these financial statements.

In May 2024, NZ IFRS 18 Presentation and Disclosure in Financial Statements which replaces NZ IAS 1 Presentation of Financial Statements was issued and is effective for reporting periods beginning on or after 1 January 2027 with early adoption permitted. Chorus intends to early adopt this standard.

NZ IFRS 18 introduces a defined structure, requiring income and expenses to be categorised as operating, investing, financing, income taxes and discontinued operations. Other requirements include enhanced requirements for management-defined performance measures (MPMs) and strengthened principles for aggregation and disaggregation across the financial statements and notes. Chorus is currently assessing the impact of NZ IFRS 18. While the standard does not change the recognition or measurement of assets, liabilities, income or expenses, it is expected to result in changes to the format and presentation of the consolidated income statement and additional disclosures related to MPMs and disaggregation of financial information.

In June 2024, amendments to NZ IFRS 9 and NZ IFRS 7 were published effective for reporting periods beginning on or after 1 January 2026. The amendments clarify the date on which a financial asset or financial liability settled through an electronic payment system is derecognised and provide an accounting policy option to allow derecognition of a financial liability before it delivers cash on settlement date if certain criteria are met. Chorus is currently evaluating the impact of these amendments.

Climate impact

In preparing the financial statements, management has considered climate-related matters and disclosed as required when the effect of those matters is material in the context of the financial statements taken as a whole. In the year ended 30 June 2025 there was no material impact of climate related matters.

Accounting estimates and judgements

In preparing the financial statements, management has made estimates and assumptions about the future that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on experience and other factors, including macro-economic and market factors, and expectations of future events that may have an impact on Chorus. All judgements, estimates, and assumptions are believed to be reasonable based on the most current set of circumstances available to Chorus. The principal areas of judgement in preparing these financial statements are set out below.

Network assets (note 1)

Assessing the carrying value of network assets for impairment considerations which includes assessing the appropriateness of useful life and residual value estimates of network assets, the physical condition of the asset, technological advances, regulation and expected disposal proceeds from the future sale of the asset.

Land and buildings (note 1)

Land and buildings are recorded at fair value using a level 2 methodology in line with the fair value hierarchy. Fair value relating to land and buildings is determined based on a periodic independent valuation using a combination of both an optimised depreciated replacement cost and a market valuation approach. The valuation technique applied to each asset is determined by the independent valuer, with input and review by Chorus management who are familiar with the nature of the assets. Valuations are performed every three years, or more frequently where indicators exist that the carrying amount of the asset materially differs from its fair value at the end of the reporting period. This may be the result of external factors (e.g. a volatile property market) or internal factors. In these instances where indicators of material difference exist, a desktop valuation may be obtained to appropriately adjust the carrying value of the assets. The underlying assumptions used in the valuation are reviewed at each reporting date to ensure the carrying value is not materially different from the fair value.

Customer acquisition assets (note 3)

Assessing the carrying value of customer acquisition assets for impairment considerations which includes assessing the appropriateness of useful life, contract terms, revenue and customer connections data.

Leases (note 5)

A significant portion of lease contracts contain options for extension, which in turn require management to apply judgement in assessing if these extensions are likely to be exercised.

National Infrastructure Funding and Financing (NIFF) securities (note 6)

On initial recognition, determining the fair value of the NIFF securities required Chorus to make assumptions on expected future cash flows and discount rates based on future long dated swap curves. The associated UFB build was completed in the year ended 30 June 2023.

Financial risk management (note 19 and 20)

Accounting judgements have been made in determining hedge designation and the fair value of derivatives and borrowings. The fair value of derivatives and borrowings are determined based on valuation models that use forward-looking estimates and market observable data, to the extent that it is available.

Non-GAAP measures

Chorus uses non-GAAP measures that are not prepared in accordance with NZ IFRS. Chorus believes these non-GAAP measures provide useful information to users of the financial statements to assist in understanding the financial performance of Chorus. These measures are also used internally to evaluate the performance of Chorus and monitored for compliance against debt covenants.

These measures should not be viewed in isolation or as a substitute for measures reported in accordance with NZ IFRS as they are not uniformly defined or utilised by all companies in New Zealand or the telecommunications industry.

Earnings before interest and income tax (EBIT) and earnings before interest, income tax, depreciation and amortisation (EBITDA)

Chorus calculates EBIT by adding back finance expense and income tax to, and subtracting finance income from, net earnings. EBITDA adds back depreciation and amortisation expense to EBIT. A reconciliation of EBIT and EBITDA is provided below based on amounts taken from, and consistent with, those presented in the financial statements.

Year ended 30 June	2025 $M	2024 $M
Net earnings/(loss) for the year reported under NZ IFRS	4	(9)
Add back: income tax expense	17	30
Add back: finance expense	212	222
Subtract: finance income	(2)	(5)
EBIT	**231**	**238**
Add back: depreciation	390	374
Add back: amortisation	84	88
EBITDA	**705**	**700**

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Note 1 – Network assets, land and buildings

Network assets

In the Consolidated statement of financial position, network assets, except land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of additions to network assets and work in progress constructed by Chorus includes the cost of all materials used in construction, direct labour costs specifically associated with construction, interest costs that are attributable to the asset, resource management consent costs, and attributable overheads.

Repairs and maintenance costs are recognised in the Consolidated income statement as incurred. If the useful life of the asset is extended or the asset is enhanced, then the associated costs are capitalised.

Land and buildings

Land and buildings are carried at a revalued amount. The revalued amount represents the fair value of each land and building asset at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in the Consolidated statement of comprehensive income and accumulated within the revaluation reserve in equity. An increase shall be recognised in the Consolidated income statement to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is first recognised in the Consolidated statement of comprehensive income (and the revaluation reserve) to the extent any credit balance exists in relation to that asset. Any additional decrease in the asset's carrying amount is recognised in the Consolidated income statement as an expense. The attributable revaluation surplus remaining in the asset revaluation reserve relating to land or buildings disposed of, net of any related deferred taxes, is transferred directly to retained earnings on the derecognition of the relevant asset.

Using the last independent external valuation performed for the year ended 30 June 2023 as a base, further work was performed to assess the value at balance date. Based on this review, using the QV House Index, a decrease in land values given the volatile market was observed. However, the overall impact of the decrease was 1.2%. The change in value was not considered material, therefore no adjustment was recognised (30 June 2024: an increase in the land value of 2.6% was adopted based on the QV House Index annual change in prices). There were no other changes to key inputs.

Estimating useful lives and residual values of network assets and buildings

The determination of the appropriate useful life for a particular asset requires management to make judgements about, amongst other factors, the expected period of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances, and the likelihood of Chorus ceasing to use the asset in business operations.

Where an item of network assets or buildings comprises major components having different useful lives, the components are accounted for as separate items of network assets or buildings.

Where the remaining useful lives or recoverable values have diminished due to technological, regulatory or market condition changes, depreciation is accelerated. The assets' residual values, useful lives, and methods of depreciation are reviewed annually and adjusted prospectively, if appropriate.

Depreciation is charged on a straight-line basis to write down the cost of network assets to their estimated residual value over their estimated useful life. Estimated useful lives are as follows:

	Estimated useful life
Fibre cables	**20–30 years**
Ducts, manholes and poles	**20–50 years**
Copper cables	**10–25 years**
Cabinets	**5–20 years**
Buildings	**10–50 years**
Network electronics	**2–25 years**
Other	**2–25 years**

Other network assets include motor vehicles, test instruments, furniture and fittings, tools, and plant.

An item of network assets and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use. Where network assets are disposed of, the profit or loss recognised in the Consolidated income statement is calculated as the difference between the sale price and the carrying value of the asset.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Land and work in progress are not depreciated. Work in progress is reviewed on a regular basis to ensure that costs represent future assets.

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Note 1 – Network assets, land and buildings continued

30 June 2025	Fibre cables $M	Ducts, manholes, and poles $M	Copper cables $M	Cabinets $M	Network electronics $M	Right of use assets $M	Other $M	Work in progress $M	Land and buildings $M	Total $M
Gross carrying amount										
Balance at 1 July 2024	2,926	3,365	2,430	765	1,910	250	309	159	377	12,491
Additions	101	95	2	8	78	12	7	131	10	444
Disposals	(1)	–	(5)	–	(2)	(2)	(3)	–	–	(13)
Transfers from work in progress	–	–	–	–	–	–	–	(122)	–	(122)
Other	–	–	–	–	–	–	–	(4)	–	(4)
Balance at 30 June 2025	**3,026**	**3,460**	**2,427**	**773**	**1,986**	**260**	**313**	**164**	**387**	**12,796**
Accumulated depreciation							–			
Balance at 1 July 2024	(1,227)	(922)	(2,322)	(560)	(1,622)	(110)	(225)	–	(2)	(6,990)
Depreciation	(139)	(90)	(75)	(16)	(71)	(13)	(13)	–	(3)	(420)
Disposals	–	–	5	–	2	2	3	–	–	12
Balance at 30 June 2025	**(1,366)**	**(1,012)**	**(2,392)**	**(576)**	**(1,691)**	**(121)**	**(235)**	**–**	**(5)**	**(7,398)**
Net carrying amount	**1,660**	**2,448**	**35**	**197**	**295**	**139**	**78**	**164**	**382**	**5,398**

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Note 1 – Network assets, land and buildings continued

30 June 2024	Fibre cables $M	Ducts, manholes, and poles $M	Copper cables $M	Cabinets $M	Network electronics $M	Right of use assets $M	Other $M	Work in progress $M	Land and buildings $M	Total $M
Gross carrying amount										
Balance at 1 July 2023	2,797	3,279	2,426	748	1,832	244	299	177	357	12,159
Additions	129	87	4	17	80	6	12	94	14	443
Disposals	–	(1)	–	–	(2)	–	(2)	–	–	(5)
Transfers from work in progress	–	–	–	–	–	–	–	(116)	–	(116)
Net revaluations – OCI	–	–	–	–	–	–	–	–	7	7
Other	–	–	–	–	–	–	–	4	(1)	3
Balance at 30 June 2024	**2,926**	**3,365**	**2,430**	**765**	**1,910**	**250**	**309**	**159**	**377**	**12,491**
Accumulated depreciation										
Balance at 1 July 2023	(1,092)	(842)	(2,248)	(543)	(1,554)	(96)	(214)	–	–	(6,589)
Depreciation	(135)	(80)	(74)	(17)	(70)	(14)	(13)	–	(2)	(405)
Disposals	–	–	–	–	2	–	2	–	–	4
Balance at 30 June 2024	**(1,227)**	**(922)**	**(2,322)**	**(560)**	**(1,622)**	**(110)**	**(225)**	**–**	**(2)**	**(6,990)**
Net carrying amount	**1,699**	**2,443**	**108**	**205**	**288**	**140**	**84**	**159**	**375**	**5,501**

There are no restrictions on Chorus' network assets or any network assets pledged as securities for liabilities. Transfers from work in progress are disclosed as additions by asset class in the year they occur.

At 30 June 2025 the contractual commitments for acquisition and construction of the network assets was $26 million (30 June 2024: $53 million).

Land and buildings at historical cost

If land and buildings were stated on an historical cost basis, the amounts would be as follows:

Year ended 30 June	2025 $M	2024 $M
Land and buildings (at cost)	210	200
Buildings accumulated depreciation	(118)	(115)
Net carrying amount	**92**	**85**

Crown funding

Chorus received funding from the Crown to finance the capital expenditure associated with the development of the UFB network and continues to receive funding for other services. Where funding is used to construct assets, it is offset against depreciation over the life of the assets constructed.

Refer to note 7 for information on Crown funding.

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Note 1 – Network assets, land and buildings continued

Impairment

The carrying amounts of non-financial assets including network assets, land and buildings, software and other intangibles, and customer acquisition assets are reviewed at the end of each reporting period for any indicators of impairment.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised in earnings whenever the carrying amount of an asset exceeds its estimated recoverable amount. Should the conditions that gave rise to the impairment loss no longer exist, and the assets are no longer considered to be impaired, a reversal of an impairment loss would be recognised immediately in earnings.

The recoverable amount is the greater of an asset's value in use and fair value less costs to sell. Chorus' assets do not generate independent cash flows and are therefore assessed from a single cash-generating unit perspective.

Capitalised interest

Finance costs are capitalised on qualifying items of network assets and software assets at an annualised rate of 5.65% (30 June 2024: 5.80%). Interest is capitalised over the period required to complete the assets and prepare them for their intended use. In the current year finance costs totalling $2 million (30 June 2024: $1 million) have been capitalised against network assets and software assets.

Right of use assets

A right of use asset is recognised on commencement of a lease. The right of use asset is initially measured at cost, which is made up of the initial lease liability amount adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method until the assumed end of the lease term. The right of use asset is periodically adjusted for certain remeasurements of the lease liability. Estimated useful lives are as follows:

	Estimated useful life
Fibre cables	**8–21 years**
Ducts, manholes and poles	**7–25 years**
Property	**5–25 years**

Movements in right of use assets for the period are presented below:

	Fibre cables $M	Ducts, manholes, and poles $M	Property $M	Total $M
Balance at 1 July 2023	6	48	94	148
Additions	–	4	1	5
Depreciation charge	(1)	(4)	(8)	(13)
Balance at 30 June 2024	**5**	**48**	**87**	**140**
Additions	7	2	3	12
Depreciation charge	(1)	(5)	(7)	(13)
Balance at 30 June 2025	**11**	**45**	**83**	**139**

Property exchanges

Chorus has leased exchange space and commercial co-location space owned by Spark which is subject to lease arrangements (included within right of use assets). Chorus in turn leases exchange space and commercial co-location space owned by Chorus to Spark under an operating lease arrangement.

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Note 2 – Software and other intangible assets

Software and other intangible assets are initially measured at cost. The direct costs associated with the development of network and business software for internal use are capitalised where project success is probable and the capitalisation criteria is met. Following initial recognition, software and other intangible assets are stated at cost less accumulated amortisation and impairment losses. Software and other intangible assets with a finite life are amortised from the date the asset is ready for use on a straight-line basis over its estimated useful life which is as follows:

	Estimated useful life
Software	**2–10 years**
Other intangibles	**20–35 years**

Other intangibles mainly consist of land easements.

Where estimated useful lives or recoverable values have diminished due to technological change or market conditions, amortisation is accelerated.

There are no restrictions on software and other intangible assets, or any intangible assets pledged as securities for liabilities.

30 June 2025	Software $M	Other intangibles $M	Work in progress $M	Total $M
Cost				
Balance at 1 July 2024	999	6	33	1,038
Additions	50	–	49	99
Transfers from work in progress	–	–	(50)	(50)
Balance at 30 June 2025	**1,049**	**6**	**32**	**1,087**
Accumulated amortisation				
Balance at 1 July 2024	(894)	(2)	–	(896)
Amortisation	(51)	–	–	(51)
Balance at 30 June 2025	**(945)**	**(2)**	**–**	**(947)**
Net carrying amount	**104**	**4**	**32**	**140**

Transfers from work in progress are disclosed as additions by asset class in the year they occur.

30 June 2024	Software $M	Other intangibles $M	Work in progress $M	Total $M
Cost				
Balance at 1 July 2023	955	6	28	989
Additions	48	–	53	101
Disposals	(4)	–	–	(4)
Transfers from work in progress	–	–	(48)	(48)
Balance at 30 June 2024	**999**	**6**	**33**	**1,038**
Accumulated amortisation				
Balance at 1 July 2023	(842)	(1)	–	(843)
Amortisation	(56)	(1)	–	(57)
Disposals	4	–	–	4
Balance at 30 June 2024	**(894)**	**(2)**	**–**	**(896)**
Net carrying amount	**105**	**4**	**33**	**142**

At 30 June 2025 the contractual commitment for acquisition of software and other intangible assets was $5 million (30 June 2024: $9 million).

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Note 3 – Customer acquisition assets

Customer acquisition costs are incremental costs incurred in acquiring and fulfilling new contracts with new and existing customers that Chorus expects are recoverable and are capitalised as customer acquisition assets. These represent various costs including commissions and incentives for customers to connect to the fibre network. Following initial recognition, customer acquisition assets are stated at cost less accumulated amortisation and impairment losses. Customer acquisition assets have a finite life and are amortised from the month that costs are capitalised on a straight-line basis over the average connection life which is as follows:

	Average connection life
New connections and migrations	**1–4 years**
Customer incentives	**1 year**

Customer acquisition assets are amortised to the Consolidated income statement, either as amortisation expense or against operating revenue, based on the nature of the specific costs capitalised.

	New connections and migrations $M	Customer incentives $M	Total $M
Balance at 1 July 2023 (net carrying amount)	58	2	60
Additions	38	4	42
Amortisation to amortisation expense	(31)	–	(31)
Amortisation to operating revenue	–	(4)	(4)
Balance at 30 June 2024 (net carrying amount)	**65**	**2**	**67**
Additions	36	5	41
Amortisation to amortisation expense	(33)	–	(33)
Amortisation to operating revenue	–	(4)	(4)
Balance at 30 June 2025 (net carrying amount)	**68**	**3**	**71**

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Note 4 – Debt

Debt is classified as non-current liabilities except for those with maturities less than 12 months from the reporting date, which are classified as current liabilities. Debt is initially measured at fair value, less any transaction costs that are directly attributable to the issue of the instruments. Debt is subsequently measured at amortised cost using the effective interest method. Some borrowings are designated in fair value hedge relationships, which means that any change in market interest and foreign exchange rates result in a change in the fair value adjustment on that debt.

The weighted effective interest rate on debt including the effect of derivative financial instruments and facility fees was 5.39% (30 June 2024: 5.77%).

	Due date	2025 $M	2024 $M
Syndicated bank facilities		220	110
Euro medium term notes EUR	Dec 2026	563	488
Euro medium term notes EUR	Sep 2029	973	857
Australian medium term notes AUD	Sep 2030	335	326
Fixed rate NZD Bonds	Dec 2027	200	200
Fixed rate NZD Bonds	Dec 2028	519	502
Fixed rate NZD Bonds	Dec 2030	172	160
Capital Notes	June 2031	171	–
Less: facility fees		(15)	(17)
Total debt		**3,138**	**2,626**
Current		**220**	**110**
Non-current		**2,918**	**2,516**

Syndicated bank facilities

As at 30 June 2025 Chorus had a $450 million committed syndicated facility on market standard terms and conditions (30 June 2024: $450 million). The facility is held with banks that are rated A to AA-, based on Standard & Poor's ratings. As at 30 June 2025 $220 million was drawn down (30 June 2024: $110 million was drawn down).

Medium Term Notes (MTN)

Face value	Interest rate	2025 $M	2024 $M
EUR 300 million	0.88%	563	488
EUR 500 million	3.63%	973	857
AUD 300 million	5.97%	335	326

The following table reconciles MTNs at hedged rates to MTNs carrying value based on spot rates as reported under NZ IFRS. MTNs at hedged rates is a non-GAAP measure and is not defined by NZ IFRS:

	2025 EUR 500 $M	2024 EUR 500 $M	2025 EUR 300 $M	2024 EUR 300 $M
EMTN (at carrying value)	973	857	563	488
Impact of fair value hedge	(6)	23	17	40
Impact of hedged rates used	(147)	(60)	(66)	(14)
EMTN at hedged rates (non-GAAP measure)	**820**	**820**	**514**	**514**
EMTN at fair value	**1,020**	**903**	**569**	**497**

	2025 AUD 300 $M	2024 AUD 300 $M
AMTN (at carrying value)	335	326
Impact of fair value hedge	(11)	3
Impact of hedged rates used	1	(4)
AMTN at hedged rates (non-GAAP measure)	**325**	**325**
AMTN at fair value	**348**	**339**

The fair value of MTNs is calculated based on the present value of future principal and interest cash flows, discounted at market interest rates at balance date and is determined using Level 2 of the fair value hierarchy as described in note 20.

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Note 4 – Debt continued

Fixed rate NZD bonds

	Due date	Interest rate	2025 $M	2024 $M
Fixed rate NZD Bonds	Dec 2027	1.98%	200	200
Fixed rate NZD Bonds	Dec 2028	4.35%	519	502
Fixed rate NZD Bonds	Dec 2030	2.51%	172	160
Total fixed rate NZD Bonds			**891**	**862**

The fixed rate on the 2030 NZD Bonds has been swapped to a floating rate using interest rate swaps, creating a fair value hedge which has a fair value of $172 million at balance date (notional amount $200 million). This hedging relationship was entered into to comply with the Chorus Treasury Policy which does not allow for greater than 70% of term debt to be subject to fixed interest rates beyond a three-year time period.

The fixed rate on the 2028 NZD Bonds has been swapped to a floating rate using interest rate swaps, creating a fair value hedge which has a fair value of $519 million (notional amount $500 million). This hedging relationship was entered into to fix the rate reset with forward start interest rate swaps on 6 December 2023.

At 30 June 2025, Chorus had $900 million of unsecured, unsubordinated debt securities (30 June 2024: $900 million).

Capital notes

	Due date	Interest rate	2025 $M	2024 $M
Capital notes	Jun 2031	5.90%	171	–
Total capital notes			**171**	**–**

Chorus issued $170 million of unsecured, subordinated, redeemable, cumulative, interest-bearing capital notes on 6 June 2025. The capital notes have a 31-year term, maturing on 6 June 2056. The notes may be redeemed early from 3 March 2031 which Chorus currently expects to exercise. The interest rate is fixed at 5.90% for 6 years, after which it will be reset.

The capital notes are subordinate to all other general liabilities of Chorus but rank ahead of shareholders and the rights of National Infrastructure Funding and Financing Limited in respect of its subordinated portion of its Crown Funding Debt and Equity securities.

The fixed rate on capital notes has been swapped to a floating rate using interest rate swaps, creating a fair value hedge which has a fair value of $171 million (notional amount $170 million). This hedging relationship was entered into to comply with the Chorus Treasury Policy which does not allow for greater than 70% of term debt to be subject to fixed interest rates beyond a three-year time period.

Schedule of maturities

	2025 $M	2024 $M
Current	220	110
Due one to two years	563	–
Due two to three years	200	488
Due three to four years	519	200
Due four to five years	973	502
Due over five years	678	1,343
Total due	**3,153**	**2,643**
Less: facility fees	(15)	(17)
	3,138	**2,626**

No debt has been secured against assets, however there are financial covenants and event of default triggers as defined in the various debt agreements. During the current year Chorus complied with the requirements set out in its financing agreements (30 June 2024: complied).

Refer to note 20 for information on financial risk management.

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Note 4 – Debt continued

Finance expense

	2025 $M	2024 $M
Interest on syndicated bank facility	12	9
Interest on EMTN	71	88
Interest on AMTN	21	19
Interest on fixed rate NZD bonds	42	38
Interest on capital notes	1	–
Ineffective portion of changes in fair value of cash flow hedges	(4)	(3)
Other interest expense	18	25
Capitalised interest	(2)	(1)
Total finance expense excluding NIFF securities (notional) interest	**159**	**175**
NIFF securities (notional) interest	53	47
Total finance expense	**212**	**222**

Other interest expense includes $11 million lease interest expense (30 June 2024: $11 million), and $7 million of amortisation arising from the difference between fair value and proceeds realised from the swaps reset (30 June 2024: $7 million).

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Note 5 – Leases

Chorus is a lessee of certain network assets under lease arrangements. For all leases Chorus recognises assets and liabilities in the Consolidated statement of financial position, except those determined to be short-term or low value. On inception of a new lease, the lease payable is measured at the present value of the remaining lease payments, discounted at Chorus' incremental borrowing rate at that date. Lease costs are recognised through interest expense over the life of the lease. The corresponding right of use asset incurs depreciation over the estimated useful life of the asset.

Chorus' discounted cash flows by category are summarised below:

	2025 $M	2024 $M
Fibre cables	11	10
Ducts, manholes and poles	50	53
Property	101	108
Total lease payable	**162**	**171**
Current	**15**	**12**
Non-current	**147**	**159**

Extension options

Most leases contain extension options exercisable by Chorus up to one year before the end of the non-cancellable contract period. Where practicable, Chorus seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by Chorus and not by the lessors. Chorus assesses at lease commencement whether it is reasonably certain the extension options will be exercised, and where it is reasonably certain, the extension period has been included in the lease liability calculation. Chorus reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The amounts recognised in the Consolidated income statement and the Consolidated statement of cash flows relating to leases are summarised below:

	2025 $M	2024 $M
Amounts recognised in Consolidated income statement:		
Interest on lease payable	11	11
Amounts recognised in Consolidated statement of cash flows:		
Principal payments	(14)	(16)
Lease interest	(11)	(11)

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Note 6 – National Infrastructure Funding and Financing (NIFF) securities

Ultra-Fast Broadband (UFB)

Chorus received Crown funding to finance construction costs associated with the development of the UFB network. Funding was received for every premise passed and certified by NIFF.

Funding was received over two phases. Phase one of the build (UFB1) was completed in December 2019 with a total of $924 million of funding received. Phase two (UFB2 and UFB2+) was completed in December 2022 with a total $411 million of funding received.

In return for funding under both phases, NIFF equity securities and NIFF debt securities are issued. Under UFB 1 NIFF warrants were also issued.

The NIFF equity and debt securities are recognised initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. The fair value is derived by discounting the equity securities and debt securities per premises passed by the effective rate based on market rates. The difference between funding received and the fair value of the securities is recognised as Crown funding. Over time, the NIFF debt and equity securities increase to face value and the Crown funding is released against depreciation and reduces to nil.

NIFF debt securities

NIFF debt securities are unsecured, non-interest bearing and carry no voting rights at meetings of holders of Chorus ordinary shares. Chorus is required to redeem the NIFF debt securities in tranches from 2025 by repaying the face value to the holder.

The principal amount of NIFF debt securities consists of a senior portion and a subordinated portion. The senior portion ranks equally with all other unsecured, unsubordinated creditors of Chorus, and has the benefit of any negative pledge covenant that may be contained in any of Chorus' debt arrangements. The subordinated portion ranks below all other Chorus indebtedness but above ordinary shares of Chorus. The initial value of the senior portion is the present value of the sum repayable on the NIFF debt securities, and the initial subordinated portion will be the difference between the issue price of the NIFF debt security and the value of the senior portion.

NIFF equity securities

NIFF equity securities are a class of non-interest-bearing security that carry no right to vote at meetings of holders of Chorus ordinary shares but entitle the holder to a preferential right to repayment on liquidation and additional rights that relate to Chorus' performance under its construction contract with NIFF.

For UFB1 equity securities, dividends will become payable on a portion of the NIFF equity securities from 2025 onwards, with the portion of NIFF equity securities that attract dividends increasing over time. For UFB2 and UFB2+ equity securities, dividends will become payable from 2030.

NIFF equity securities can be redeemed by Chorus at any time by payment of the issue price or issue of new ordinary shares (at a 5% discount to the 20-day volume weighted average price) to the holder. In limited circumstances NIFF equity securities may be converted by the holder into voting preference or ordinary shares.

The NIFF equity securities are required to be disclosed as a liability until the liability component of the compound instrument expires.

Repayment of NIFF securities

On 30 June 2025, $85 million of NIFF debt Securities and $85 million of NIFF equity securities were repaid.

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Note 6 – National Infrastructure Funding and Financing (NIFF) securities continued

NIFF warrants

Under UFB 1 Chorus issued warrants to NIFF for nil consideration along with each tranche of NIFF equity securities. Each NIFF warrant gives NIFF the right, on a specified exercise date, to purchase at a set strike price a Chorus share to be issued by Chorus. The strike price for a NIFF warrant is based on a total shareholder return of 16% per annum on Chorus shares over the period December 2011 to June 2036.

At 30 June 2025, Chorus had issued a total 9,903,147 warrants which had a fair value and carrying value that approximated zero (30 June 2024: 16,407,227 warrants issued). The number of fibre connections made by 30 June 2025 impacts the number of warrants that could be exercised.

At 30 June 2025, the component parts of NIFF debt and equity instruments, including notional interest, were:

	2025			2024		
	NIFF debt securities $M	NIFF equity securities $M	Total NIFF securities $M	NIFF debt securities $M	NIFF equity securities $M	Total NIFF securities $M
Fair value on initial recognition						
Balance at 1 July	228	250	478	228	250	478
Repayments of securities at fair value	(85)	(85)	(170)	–	–	–
Balance at 30 June	**143**	**165**	**308**	**228**	**250**	**478**
Accumulated notional interest						
Balance at 1 July	115	151	266	96	123	219
Notional interest	22	31	53	19	28	47
Balance at 30 June	**137**	**182**	**319**	**115**	**151**	**266**
Total NIFF securities	**280**	**347**	**627**	**343**	**401**	**744**
Current	**–**	**–**	**–**	**81**	**79**	**160**
Non-current	**280**	**347**	**627**	**262**	**322**	**584**
NIFF at fair value	**303**	**395**	**698**	**351**	**444**	**795**

Key assumptions in calculations on initial recognition

On initial recognition, a discount rate is used for the NIFF debt securities. No NIFF debt securities were issued in the year (30 June 2024: no NIFF debt securities were issued). The discount rate was used for the NIFF equity securities and to discount the expected cash flows, based on the NZ swap curve. The swap rates were adjusted for Chorus specific credit spreads (based on market observed credit spreads for debt issued with similar credit ratings and tenure). The discount rate on the NIFF equity securities is capped at Chorus' estimated cost of (ordinary) equity.

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Note 7 – Crown funding

Funding from the Crown is recognised at fair value where there is reasonable assurance that the funding is receivable and all attached conditions will be complied with. Crown funding is then recognised in earnings as a reduction to depreciation expense on a systematic basis over the useful life of the asset the funding was used to construct.

	2025					2024				
	UFB $M	WCSNB $M	RBI $M	Other $M	Total $M	UFB $M	WCSNB $M	RBI $M	Other $M	Total $M
Fair value on initial recognition										
Balance at 1 July	860	50	242	20	1,172	860	42	242	16	1,160
Additional funding recognised at fair value	–	–	–	4	4	–	8	–	4	12
Balance at 30 June	**860**	**50**	**242**	**24**	**1,176**	**860**	**50**	**242**	**20**	**1,172**
Accumulated amortisation of funding										
Balance at 1 July	(153)	(2)	(77)	(11)	(243)	(132)	(1)	(69)	(10)	(212)
Amortisation	(20)	(2)	(7)	(1)	(30)	(21)	(1)	(8)	(1)	(31)
Balance at 30 June	**(173)**	**(4)**	**(84)**	**(12)**	**(273)**	**(153)**	**(2)**	**(77)**	**(11)**	**(243)**
Total Crown funding	**687**	**46**	**158**	**12**	**903**	**707**	**48**	**165**	**9**	**929**
Current					**28**					**28**
Non-current					**875**					**901**

Crown funding largely comprises project-related government funding for the Ultra-Fast Broadband (UFB) build, West Coast Southland Network Build (WCSNB), and Rural Broadband Initiative (RBI) projects.

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Note 8 – Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

Chorus' Chief Executive Officer (CEO) has been identified as the chief operating decision maker for the purpose of segmental reporting.

Chorus has determined that it operates in one segment providing nationwide fixed line communications infrastructure. The determination is based on the reports reviewed by the CEO in assessing performance, allocating resources and making strategic decisions.

All of Chorus' operations are provided in New Zealand, therefore no geographic information is provided.

Three Chorus customers met the reporting threshold of 10 percent of Chorus' operating revenue in the year to 30 June 2025. The total revenue for the year ended 30 June 2025 from these customers was $363 million (30 June 2024: $327 million), $190 million (30 June 2024: $193 million) and $228 million (30 June 2024: $219 million).

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Note 9 – Operating revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Chorus recognises revenue when it transfers control of a product or service to a customer and cash collection is considered probable. Revenue is presented net of rebates and customer incentives.

Chorus services provided to customers	Nature, performance obligation and timing of revenue
Fibre and copper connections	Providing access to the Chorus fixed lines network to enable connections to the internet. Chorus recognises revenue as it provides this service to its customers at a point in time. Unbilled revenues from the billing cycle date to the end of each month are recognised as revenue during the month the service is provided. Revenue is deferred in respect of the portion of fixed monthly charges that have been billed in advance.
Value added network services	Providing enhanced access to the Chorus fixed line network to enable internet access, through backhaul and handover link services to connect across wider areas and to higher quality levels. Recognition is the same as described for fibre and copper connections above.
Infrastructure	Providing physical storage and site-sharing rental services for co-location of third party or shared assets. This is billed and recognised on a monthly basis, based on a point in time.
Field services	Providing services in the field to protect, strengthen, and increase the available network – for example, installation services, wiring and consultation services. This is billed and recognised as the service is provided over time. Revenue from installation of connections is recognised upon completion of the connection.

Revenue by service

	2025 $M	2024 $M
Fibre broadband (GPON)	745	697
Fibre premium (P2P)	64	69
Copper based broadband	56	83
Copper based voice	17	28
Data services copper	2	3
Field services products	64	67
Infrastructure	35	33
Value added network services	26	26
Other	5	4
Total operating revenue	**1,014**	**1,010**

Amounts collected on behalf of third parties

Revenue above is exclusive of amounts collected on behalf of, and paid to third parties, which totalled $6 million in the year (30 June 2024: $13 million). Any amounts collected but not yet passed to the third party are recognised within trade and other payables.

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Note 10 – Operating expenses

	2025 $M	2024 $M
Labour	85	80
Network maintenance	47	53
Information technology costs	40	44
Other network costs	37	37
Electricity	22	22
Property maintenance	14	14
Rent and rates	13	13
Advertising	12	11
Regulatory levies	11	9
Consultants	9	6
Insurance	6	5
Provisioning	1	1
Other	12	15
Total operating expenses	**309**	**310**

Labour

Labour of $85 million (30 June 2024: $80 million) represents employee costs which are not capitalised. Included within labour costs is $5 million of redundancy costs incurred as part of a restructuring programme undertaken during the year.

Pension contributions

Included in labour costs are payments to the New Zealand Government Superannuation Fund of $197,000 (30 June 2024: $226,000) and contributions to KiwiSaver of $3.2 million (30 June 2024: $3.1 million). At 30 June 2025 there were 8 employees in New Zealand Government Superannuation Fund (30 June 2024: 10 employees) and 712 employees in KiwiSaver (30 June 2024: 765 employees). Chorus has no other obligations to provide pension benefits in respect of employees.

Charitable and political donations

Other costs include charitable donations of $253,000 towards digital inclusion and health initiatives (30 June 2024: $771,000 towards digital inclusion and health initiatives). Chorus has not made any political donations (30 June 2024: nil).

Auditor remuneration

Included in other expenses are fees paid to auditors:

	2025 $000's	2024 $000's
Audit and review of statutory financial statements	**636**	**644**
Regulatory audit and assurance work[8]	504	645
Other services[9]	32	–
Total other services	**536**	**645**
Total fees paid to the auditor	**1,172**	**1,289**

8 Regulatory audit and assurance work includes $75,000 of assurance fees for climate related disclosures and $410,000 in relation to fibre regulation (30 June 2024: regulatory audit and assurance work includes $72,000 of assurance fees for climate related disclosures and $555,000 in relation to fibre regulation).

9 Other services relate to risk-related workshop facilitation.

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Note 11 – Trade and other receivables

Trade and other receivables are initially recognised at the fair value of the amounts to be received, plus transaction costs (if any). They are subsequently measured at amortised cost (using the effective interest method) less impairment losses.

	2025 $M	2024 $M
Trade receivables	95	100
Other receivables	52	48
Prepayments	12	10
Trade and other receivables	**159**	**158**
Current	**152**	**154**
Non-current	**7**	**4**

Included within other receivables is $44 million of interest receivable (30 June 2024: $43 million).

Trade receivables are non-interest bearing and are generally on terms of 20 working days or less.

Chorus applies the simplified approach in providing for expected credit losses prescribed by NZ IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The provision for impairment losses are either individually or collectively assessed based on number of days overdue. Chorus takes into account the historical loss experience and incorporates forward looking information and relevant macroeconomic factors.

Chorus maintains a provision for impairment losses. There have been no significant individual impairment amounts recognised as an expense during the period. Trade receivables are net of allowances for disputed balances with customers.

The ageing profile of trade receivables is as follows:

	2025 $M	2024 $M
Not past due	91	90
Past due 1–30 days	2	8
Past due 31–60 days	1	2
Past due 61–90 days	1	–
	95	**100**

Chorus has a concentrated customer base consisting predominantly of a small number of retail service providers. The concentrated customer base heightens the risk that a dispute with a customer, or a customer's failure to pay for services, will have a material adverse effect on the collectability of receivables.

Any disputes arising that may affect the relationship between the parties will be raised by relationship managers and follow a dispute resolution process. Chorus has $4 million of accounts receivable that are past due but not impaired (30 June 2024: $10 million). The carrying value of trade and other receivables approximates the fair value. The maximum credit exposure is limited to the carrying value of trade and other receivables.

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Note 12 – Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs (if any). They are subsequently measured at amortised cost using the effective interest method. Trade and other payables are non-interest bearing and are normally settled within 30-day terms. The carrying value of trade and other payables approximates their fair values.

	2025 $M	2024 $M
Trade payables	51	48
Operating expenditure accruals	76	74
Capital expenditure accruals	20	15
Personnel accruals	19	20
Revenue billed in advance	84	86
Trade and other payables	**250**	**243**
Current	**239**	**230**
Non-current	**11**	**13**

Note 13 – Commitments

Capital expenditure

Refer to note 1 and note 2 for details of capital expenditure commitments.

Lease commitments

Refer to note 5 for details of lease commitments.

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Note 14 – Taxation

Income tax expense

Income tax expense for the current year comprises current and deferred tax, and is recognised in the Consolidated income statement, except to the extent it relates to items recognised in the Consolidated statement of comprehensive income or directly in equity.

	2025 $M	2024 $M
Recognised in Consolidated income statement		
Net earnings before tax	21	21
Tax at 28%	6	6
Tax effect of adjustments		
Non-deductible expenses and income not subject to tax	9	9
Adjustments in respect of prior periods	2	–
Deferred tax impact from reversal of depreciation on buildings	–	15
Tax expense recognised in Consolidated income statement	**17**	**30**
Comprising:		
Current tax expense/(benefit)		
– Current year	17	12
– Adjustments in respect of prior periods	–	1
Deferred tax expense		
– Adjustments in respect of prior periods	2	–
– Depreciation, provisions, accruals, leases & other	(2)	17
	17	**30**
Recognised in other comprehensive income		
Net movement in hedging related reserves	(22)	(6)
Tax expense recognised in other comprehensive income	**(22)**	**(6)**

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of the deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at reporting year end. A deferred tax asset is recognised only to the extent it is probable it will be utilised.

The movement in the deferred tax assets and liabilities for the period, is presented below.

Deferred tax liability/(asset)

	Changes in other reserves $M	Lease payable $M	Fixed & intangible assets $M	Other $M	Unused tax credits $M	Total deferred tax liability $M
Balance at 1 July 2023	**24**	**(49)**	**367**	**48**	**(27)**	**363**
Recognised in the Consolidated statement of financial position	–	–	–	–	12	12
Recognised in Consolidated income statement	–	3	1	(2)	–	2
Recognised in Consolidated statement of comprehensive income	(6)	–	–	–	–	(6)
Building life reassessment	–	–	15	–	–	15
Balance at 30 June 2024	**18**	**(46)**	**383**	**46**	**(15)**	**386**
Balance at 1 July 2024	**18**	**(46)**	**383**	**46**	**(15)**	**386**
Recognised in the Consolidated statement of financial position	–	–	–	–	15	15
Recognised in Consolidated income statement	–	2	(6)	3	–	(1)
Recognised in Consolidated statement of comprehensive income	**(22)**	**–**	**–**	**–**	**–**	**(22)**
Balance at 30 June 2025	**(4)**	**(44)**	**377**	**49**	**–**	**378**

Imputation credits

Chorus has imputation credits available as at 30 June 2025 of $3.9 million (30 June 2024: $268,000). The account balance was positive as at 31 March 2025 and 31 March 2024.

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Note 15 – Cash, call deposits, and cash overdraft

Cash and call deposits are held with bank and financial institution counterparties rated at a minimum of A, based on rating agency Standard & Poor's ratings.

There are no cash or call deposit balances held that are not available for use. Chorus has a $10 million overdraft facility which is used in the normal course of operations.

The carrying values of cash and call deposits approximate their fair values. The maximum credit exposure is limited to the carrying value of cash and call deposits.

Cash and call deposits denominated in foreign currencies are retranslated into New Zealand dollars at the spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the Consolidated income statement.

Cash flow

Cash flows from derivatives in cash flow and fair value hedge relationships are recognised in the Consolidated statement of cash flows in the same category as the hedged item.

For the purposes of the Consolidated statement of cash flows, cash is considered to be cash on hand, in banks and cash equivalents, including bank overdrafts and highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in values.

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Note 16 – Equity

Share capital

Movements in Chorus Limited's issued ordinary shares were as follows:

	2025 Number of shares (millions)	2024 Number of shares (millions)
Balance 1 July	434	435
Share buyback	–	(1)
Balance at 30 June	**434**	**434**

Chorus Limited has 433,887,294 fully paid ordinary shares (30 June 2024: 433,887,294). The issued shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of Chorus Limited. Under Chorus Limited's constitution, Crown approval is required if a shareholder wishes to have a holding of 10% or more of Chorus Limited's ordinary shares, or if a shareholder who is not a New Zealand national wishes to have a holding of 49.9% or more of ordinary shares.

Chorus Limited issues securities to NIFF based on the number of premises passed. NIFF securities are a class of security that carry no right to vote at meetings of holders of Chorus Limited ordinary shares but carry a preference on liquidation. Refer to note 6 for additional information on NIFF securities.

Should Chorus Limited return capital to shareholders, any return of capital that arose on demerger may be taxable as Chorus Limited had zero available subscribed capital on demerger.

Dividends

On 8 October 2024 and 15 April 2025, dividends of 28.5 cents per share and 23 cents per share respectively were paid to shareholders. These two dividend payments totalled $223 million (30 June 2024: 44.5 cents, $193 million).

No dividend reinvestment plan was available in the year ended 30 June 2025 (30 June 2024: no dividend reinvestment plan was available).

Share buyback

In February 2022, Chorus commenced an on-market share buyback programme. The programme purchased $150 million of shares with shares being acquired through the NZX and ASX. As at 30 June 2025, no shares had been repurchased as the programme ended on 30 September 2023 (30 June 2024: 18,986,306 shares had been repurchased from the market for a total of $150 million).

Long-term performance share scheme

Chorus operates a long-term performance share scheme for selected key management personnel under which key senior management are issued share-rights.

The scheme is equity settled and treated as an option plan for accounting purposes. Each tranche of each grant is valued separately. The absolute performance hurdle is valued using Monte Carlo simulations.

The combined option cost for the year ended 30 June 2025 of $403,000 has been recognised in the Consolidated income statement (30 June 2024: $290,000).

Reserves

Refer to note 19 for information on the cash flow hedge reserve and cost of hedging reserve.

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Note 17 – Earnings per share

The calculation of basic earnings per share at 30 June 2025 is based on the net earnings for the year of $4 million (30 June 2024: net losses of $9 million), and a weighted average number of ordinary shares outstanding during the period of 435 million (30 June 2024: 435 million), calculated as follows:

	2025	2024
Basic earnings per share		
Net earnings/(loss) attributable to ordinary shareholders ($ millions)	4	(9)
Denominator – weighted average number of ordinary shares (millions)	435	435
Basic earnings per share (dollars)	**0.01**	**(0.02)**
Diluted earnings per share		
Net earnings/(loss) attributable to ordinary shareholders ($ millions)	4	(9)
Weighted average number of ordinary shares (millions)	435	435
Ordinary shares required to settle NIFF equity securities (millions)	96	108
Ordinary shares required to settle NIFF warrants (millions)	10	16
Denominator – diluted weighted average number of shares (millions)	541	559
Diluted earnings per share (dollars)	**0.01**	**(0.02)**

The number of ordinary shares that would have been required to settle all NIFF equity securities and NIFF warrants on issue at 30 June has been used for the purposes of the diluted earnings per share calculation.

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Note 18 – Related parties

Subsidiaries

The financial statements include Chorus Limited and it subsidiaries as listed below:

Name of entity	Location	2025 ownership	2024 ownership
Chorus New Zealand Limited	New Zealand	100%	100%

All day-to-day operations of the business occur within Chorus New Zealand Limited including the building and maintenance of the network, sales and marketing, and the supporting corporate function.

Transactions with related parties

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, and include the Directors, the Chief Executive, and his direct reports. Certain key management personnel have interests in a number of companies that Chorus has transactions within the normal course of business.

Key management personnel compensation

	2025 $000's	2024 $000's
Short term employee benefits	10,201	8,203
Termination benefits	296	1,075
	10,497	**9,278**

	2025 $000's	2024 $000's
Directors' fees	1,084	1,085

The performance hurdles were not met for the long-term performance share scheme and there were no share-based payments made in the period ended 30 June 2025.

Refer to note 16 for details of long-term incentives.

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Note 19 – Derivatives and hedge accounting

Chorus uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates, interest rates and the spot price of electricity. The use of hedging instruments is governed by the Treasury Policy approved by the Board. Derivatives are held at fair value with an adjustment made for credit risk in accordance with NZ IFRS 9: Financial Instruments. The derivatives are considered Level 2 investments as defined in note 20.

Treatment of any fair value gains or losses depends on whether the derivative is designated as a hedging instrument. If the derivative is not designated as a hedging instrument, the remeasurement gain or loss is recognised immediately in the Consolidated income statement.

Hedge accounting

Chorus designates derivatives held for hedging as either:

- Cash flow hedges (of highly probable forecast transactions); or
- Fair value hedges (of the fair value of recognised assets or liabilities or firm commitments).

At inception each hedge relationship is formalised in hedge documentation.

Derivatives in hedge relationships are designated based on a 1:1 hedge ratio. In these hedge relationships the main source of ineffectiveness is the effect of the credit risk on the fair value of the derivatives, which is not reflected in the change in the fair value of the hedged item attributable to changes in foreign exchange and interest rates.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. On discontinuation, any cumulative gain or loss previously recognised in Other comprehensive income is recognised in the Consolidated income statement either at the same time as the forecast transaction, or immediately if the transaction is no longer expected to occur.

Cash flow hedges

Under a cash flow hedge, the effective portion of gains or losses from remeasuring the fair value of the hedging instrument is recognised in Other comprehensive income and accumulated in the cash flow hedge reserve. Accumulated gains or losses are subsequently transferred to the Consolidated income statement when the hedged item affects the Income statement, or when the hedged item is a forecast transaction that is no longer expected to occur. Alternatively, when the hedged item results in a non-financial asset or liability, the accumulated gains and losses are included in the initial measurement of the cost of the asset or liability.

Differences in the hedged values will flow to finance expense in the Income statement over the life of the derivatives as ineffectiveness. Neither the magnitude or direction of these differences can be predicted as they are influenced by external market factors. In the current year, ineffectiveness was credit $4 million across the hedge relationships (30 June 2024: credit $3 million). Refer to note 4.

As long as the existing cash flow hedge relationships remain effective, any future gains or losses will be processed through the hedge equity reserves.

A reconciliation of movements in the cash flow hedge reserve is outlined below:

	2025 $M	2024 $M
Balance at 1 July	65	71
Changes in cash flow hedges	(85)	(16)
Amortisation of de-designated cash flow hedges transferred to Income statement	6	7
Tax expense	22	3
Closing balance at 30 June	**8**	**65**

Fair value hedges

Under a fair value hedge, the hedged item is revalued at fair value in respect of the hedged risk. This revaluation is recognised in the Consolidated income statement to offset the mark-to-market revaluation of the hedging derivative, except for any adjustment on the hedging derivative relating to credit risk.

Once hedging is discontinued, the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised through the Income statement from that date through to maturity of the hedged item. If the hedged item is derecognised any corresponding fair value hedge adjustment is immediately recognised in the Consolidated income statement.

To hedge the interest rate risk and foreign currency risk on the EUR EMTNs, Chorus uses cross currency interest rate swaps. For hedge accounting purposes, these swaps were aggregated and designated as two cash flow hedges and a fair value hedge. Chorus hedges the EUR EMTNs for Euro fixed rate interest to Euro floating rate interest via a fair value hedge. In this case, the change in the fair value of the hedged risk is also attributed to the carrying value of the EMTNs (refer to note 4).

To hedge the interest rate risk and foreign currency risk on the AUD AMTNs, Chorus uses cross currency interest rate swaps. For hedge accounting purposes, these swaps were aggregated and designated as two cash flow hedges and a fair value hedge. Chorus hedges a portion of the AUD AMTNs for AUD fixed rate interest to AUD floating rate interest via a fair value hedge. In this case, the change in the fair value of the hedged risk is also attributed to the carrying value of the AMTNs (refer to note 4).

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Note 19 – Derivatives and hedge accounting continued

Cost of hedging

The cost of hedging reserve captures changes in the fair value of the cost to convert foreign currency to NZD of Chorus' cross currency interest rate swaps on the EUR EMTNs and AUD AMTN, and the time value of the interest rate collar.

A reconciliation of movements in the cost of hedging reserve is outlined below:

	2025 $M	2024 $M
Balance at 1 July	(15)	(6)
Change in currency basis spreads (when excluded from the designation)	3	(13)
Tax (benefit)/expense	(1)	4
Closing balance at 30 June	**(13)**	**(15)**

Derivatives

Interest rate swaps

As at 30 June 2025 Chorus holds all interest rate swaps in designated hedging relationships.

All interest rate swaps which are designated as cash flow hedges are held in effective hedging relationships and their unrealised gains or losses are recognised in the cash flow hedge reserve.

Chorus has also entered into six interest rate swaps which are designated as fair value hedges. They have a combined face value $870 million and were entered in conjunction with the 10-year NZD bonds issued on 6 December 2018 and 2 December 2020, and capital notes issued on 6 June 2025, with the intention of swapping the interest exposure from a fixed to a floating rate.

Interest rate collar

During the year ended 30 June 2025, Chorus entered into an interest rate collar hedging the variable interest rate exposure by setting a cap and floor rate.

The interest rate collar is designated as a cash flow hedge held in effective hedging relationships and the unrealised gains or losses related to the intrinsic value are recognised in the cash flow hedge reserve. The time value is excluded from the hedge relationship and is accounted for as the cost of hedging.

Restructured interest rate swaps

Three interest rate swaps have been restructured: two in December 2018 and one in February 2020.

The two December 2018 restructured interest rate swaps have a combined face value of $500 million and were reset in conjunction with the resettable NZD fixed rate bond issued in December 2018 to hedge interest rate exposure from December 2023. As part of the restructure the original hedge relationship was discontinued and on termination there was a net present value of $14 million recognised in the cash flow hedge reserve. This amount was held in the cash flow hedge reserve as the hedged item still exists and is amortised over the original hedge period. The unamortised balance of the original fair values at 30 June 2025 is is debit $2 million (30 June 2024: debit $4 million).

The interest rate swap restructured in February 2020 had a face value of $200 million and was reset to be in conjunction with the EUR 300 million EMTN issued in December 2019 to hedge interest rate exposure from April 2020. The original hedge relationship was discontinued and on termination had a net present value of $27 million. This amount was held in the cash flow hedge reserve as the hedged item still exists and will be amortised over the original hedge period. The unamortised balance of the original fair values at 30 June 2025 was debit $3 million (30 June 2024: debit $8 million).

Cross currency interest rate swaps

Chorus enters into cross currency interest rate swaps to hedge the foreign currency and foreign interest rate risks on the EUR and AUD MTNs. Using the cross currency interest rate swaps, Chorus will pay New Zealand Dollar floating interest rates and receive EUR or AUD nominated fixed interest with coupon payments matching the underlying notes.

Chorus continues to hold cross currency interest rate swaps in relation to the EMTN EUR 300 million issued in December 2019, EMTN EUR 500 million issued in September 2022, and AMTN AUD 300 million issued in September 2023. This is unchanged in the current year.

Chorus designated the MTNs and cross currency interest rate swaps into three-part hedging relationships for each issue:

- a fair value hedge of EUR or AUD benchmark interest rates,
- a cash flow hedge of margin, and
- a cash flow hedge of the principal exchange.

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Note 19 – Derivatives and hedge accounting continued

Under the cross currency swaps Chorus will pay and receive the following on maturity:

	Maturity	Principal – receive leg (EUR M)	Principal – receive leg (AUD M)	Principal – pay leg ($M)
EUR EMTN 300	Dec 2026	300	–	514
EUR EMTN 500	Sep 2029	500	–	820
AUD AMTN 300	Sep 2030	–	300	325

Hedging instruments used (pre-tax):

				Life to date values as at 30 June 2025					Year to date values recognised during the year ended 30 June 2025			
				Carrying amount of the hedging instrument					Hedge effectiveness in reserves		Hedge effectiveness	Hedge ineffectiveness
	Currency	Maturity years	Average rate	Nominal amount of the hedging instrument $M	Assets $M	Liabilities $M	Change in value used for calculating hedge ineffectiveness $M	Cost of hedging reserve $M	Cash flow hedge (OCI) $M	Cash flow hedge reclassified to the Income statement $M	Fair value hedge recognised in the Income statement $M	Recognised in the Income statement $M
Cash flow hedges												
Interest rate swaps (including forward starting)	NZD	1–7	2.62%	1,364	29	(13)	16	–	(53)	–	–	–
Restructured interest rate swaps 2018 (forward starting)	NZD	3	4.41%	500	–	(17)	(1)	–	(19)	2	–	–
Restructured interest rate swap 2020	NZD	1	3.35%	200	–	(1)	27	–	(11)	4	–	4
Forward exchange rate contracts	NZD:USD	1–2	0.6148	68	–	–	–	–	(1)	–	–	–
Electricity futures	NZD	1–4	NA	NA	–	(2)	–	–	(3)	–	–	–
Fair value hedges												
Interest rate swaps	NZD	3–6	Floating	870	20	(27)	(7)	–	–	–	32	(1)
Fair value and cash flow hedges												
Cross currency interest rate swaps	NZD:EUR	2	Floating	514	45	–	48	(3)	53	(52)	23	–
Cross currency interest rate swaps	NZD:EUR	5	Floating	820	136	–	152	(16)	90	(87)	29	–
Cross currency interest rate swaps	NZD:AUD	6	Floating	325	9	–	10	(1)	(6)	5	14	–
Total hedged derivatives				**4,661**	**239**	**(60)**	**245**	**(20)**	**50**	**(128)**	**98**	**3**
Current					**1**	**–**						
Non-current					**238**	**(60)**						

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Note 19 – Derivatives and hedge accounting continued

				Life to date values as at 30 June 2024					Year to date values recognised during the year ended 30 June 2024			
				Carrying amount of the hedging instrument					Hedge effectiveness in reserves		Hedge effectiveness	Hedge ineffectiveness
	Currency	Maturity years	Average rate	Nominal amount of the hedging instrument $M	Assets $M	Liabilities $M	Change in value used for calculating hedge ineffectiveness $M	Cost of hedging reserve $M	Cash flow hedge (OCI) $M	Cash flow hedge reclassified to the Income statement $M	Fair value hedge recognised in the Income statement $M	Recognised in the Income statement $M
Cash flow hedges												
Interest rate swaps (including forward starting)	NZD	2–6	2.42%	1,114	69	–	69	–	(20)	–	–	–
Restructured interest rate swaps 2018 (forward starting)	NZD	5	4.41%	500	1	–	18	–	(1)	2	–	–
Restructured interest rate swap 2020	NZD	3	3.35%	200	7	–	34	–	(7)	4	–	4
Forward exchange rate contracts	NZD:USD	1–2	0.6160	41	1	–	1	–	1	(1)	–	–
Electricity futures	NZD	1–2	NA	NA	–	–	–	–	2	–	–	–
Fair value hedges												
Interest rate swaps	NZD	4–7	Floating	700	2	(39)	(37)	–	–	–	8	–
Fair value and cash flow hedges												
Cross currency interest rate swaps	NZD:EUR	NA	Floating	–	–	–	–	–	(44)	44	4	–
Cross currency interest rate swaps	NZD:EUR	3	Floating	514	–	(33)	(29)	(5)	(6)	6	22	–
Cross currency interest rate	NZD:EUR	6	Floating	820	18	–	34	(15)	(5)	10	15	(1)
Cross currency interest rate swaps	NZD:AUD	7	Floating	325	1	–	2	(1)	4	(3)	(3)	–
Total hedged derivatives				**4,214**	**99**	**(72)**	**92**	**(21)**	**(76)**	**62**	**46**	**3**
Current					**1**	**–**						
Non-current					**98**	**(72)**						

All hedging instruments can be found in the derivative financial assets and liabilities within the Consolidated statement of financial position. Items taken to the Consolidated income statement have been recognised in finance expenses (refer note 4).

Credit risk associated with derivative financial instruments is managed by ensuring that transactions are executed with counterparties with high quality credit ratings along with credit exposure limits for different credit classes. The counterparty credit risk is monitored and reviewed by the Board on a regular basis.

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Note 20 – Financial risk management

Chorus' activities expose it to a variety of financial risks, including market risk (currency risk, electricity price risk and interest rate risk) credit risk and liquidity risk. Financial risk management for currency and interest rate risk is carried out by the treasury function under policies approved by the Board. Chorus' Treasury Policy, approved by the Board, provides the basis for overall financial risk management.

Chorus uses derivatives to hedge its financial risk exposures and does not hold or issue derivative financial instruments for trading purposes. The risk associated with these transactions is the cost of replacing these agreements at the current market rates in the event of default by a counterparty.

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Note 20 – Financial risk management continued

A summary of the financial risks that impact Chorus, how they arise and how they are managed is presented below:

Nature and exposure to Chorus	How the risk is managed
Market risk	
Electricity price risk	
Chorus is exposed to electricity price volatility through the purchase of electricity at spot prices.	Chorus has entered into fixed electricity futures contracts to reduce the exposure to electricity spot price movements. These contracts are designated as cash flow hedge relationships. A 10% increase or decrease in the spot price of electricity, with all other variables held constant, would have minimal impact on profit and equity reserves of Chorus.
Currency risk	
Chorus' exposure to foreign currency fluctuations predominantly arises from foreign currency debt and future commitments to purchase foreign currency denominated assets. The primary objective in managing foreign currency risk is to protect against the risk that Chorus' assets, liabilities and financial performance will fluctuate due to changes in foreign currency exchange rates. Chorus has EUR 800 million and AUD 300 million foreign currency debt in the form of MTNs.	Chorus enters into forward foreign exchange contracts and cross currency interest rate swaps to manage the foreign exchange exposure. The EUR and AUD MTNs have in place cross currency interest rate swaps under which Chorus receives principal and fixed coupon payments in EUR and AUD for principal and floating NZD interest payments. The exchange gain or loss resulting from the translation of MTNs denominated in foreign currency to NZD is recognised in the income statement. The movement is offset by the translation of the principal value of the related cross currency interest rate swap. As at 30 June 2025, Chorus did not have any significant unhedged exposure to currency risk (30 June 2024: no significant unhedged exposure to currency risk). A 10% increase or decrease in the exchange rate, with all other variables held constant, would have minimal impact on profit and equity reserves of Chorus.
Interest rate risk	
Chorus is exposed to interest rate risk arising from the cross currency interest rate swaps converting the foreign debt into a floating rate NZD obligation as well as loans under the syndicated bank facility which are subject to floating interest rates. Chorus is also exposed to changes in the fair value of the fixed interest 2030 and 2028 NZD Bond due to fluctuations in the benchmark interest rate.	Where appropriate, Chorus aims to reduce the uncertainty of changes in interest rates by entering into interest rate swaps to fix the effective interest rate to minimise the cost of net debt and manage the impact of interest rate volatility on earnings. The interest rate risk on a portion of the EUR and AUD cross currency interest rate swaps has been hedged using interest rate swaps. Refer to note 19 for further information.
Other risks	
Credit risk	
In the normal course of business, Chorus incurs counterparty credit risk from financial instruments, including cash, trade and other receivables, and derivative financial instruments.	Credit risk is managed by entering into contracts with creditworthy financial institutions. Refer to individual notes for additional information on credit risk. Chorus has certain derivative transactions that are subject to bilateral credit support agreements that require Chorus or the counterparty to post collateral to support the value of certain derivatives. As at 30 June 2025, no collateral was posted.
Liquidity risk	
Liquidity risk is the risk that Chorus will encounter difficulty raising liquid funds to meet commitments as they fall due or foregoing investment opportunities, resulting in defaults or excessive debt costs. Prudent liquidity risk management implies maintaining sufficient cash and the ability to meet its financial obligations.	Chorus manages liquidity risk by ensuring sufficient access to committed facilities, continuous cash flow monitoring and maintaining prudent levels of short-term debt maturities.

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Note 20 – Financial risk management continued

Interest rate risk

Analysis of Chorus' interest rate repricing (before tax) is outlined below:

30 June 2025	Within 1 Year $M	1–2 Years $M	2–3 Years $M	3–4 Years $M	4–5 Years $M	Greater than 5 years $M	Total $M
Floating rate							
Debt (after hedging)	545	–	–	–	–	–	545
Fixed rate							
Debt (after hedging)	220	–	514	200	1,320	695	2,949
NIFF securities	–	–	–	–	152	475	627
	765	**–**	**514**	**200**	**1,472**	**1,170**	**4,121**
30 June 2024							
Floating rate							
Debt (after hedging)	545	–	–	–	–	–	545
Fixed rate							
Debt (after hedging)	110	–	–	514	200	1,300	2,124
NIFF securities	160	–	–	–	–	584	744
	815	**–**	**–**	**514**	**200**	**1,884**	**3,413**

Interest rate sensitivity analysis

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	2025 $M Profit/(loss)	2025 $M Equity (increase)/ decrease	2024 $M Profit/(loss)	2024 $M Equity (increase)/ decrease
100 basis point increase	1	19	1	24
100 basis point decrease	(1)	(20)	(1)	(26)

Credit risk

The maximum exposure to credit risk at the reporting date was as follows:

	Note	2025 $M	2024 $M
Cash and call deposits	15	81	45
Trade and other receivables	11	159	158
Derivative financial instruments	19	239	99
Maximum exposure to credit risk		**479**	**302**

Refer to individual notes for additional information on credit risk.

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Note 20 – Financial risk management continued

Liquidity risk

Chorus manages liquidity risk by ensuring sufficient access to committed facilities, continuous cash flow monitoring and maintaining prudent levels of short-term debt maturities. As at 30 June 2025 Chorus has a net current liability position of $271 million (30 June 2024: net current liability position of $340 million). Chorus has access to an undrawn committed facility of $230 million (30 June 2024: $340 million) which provides significant liquidity support. While this facility doesn't fully offset the current liability position, Chorus has detailed cash flow forecasts that incorporate expected operating cash flows, planned capital expenditure and financing activities. For the year ended 30 June 2025, Chorus expects free cash flows to remain positive for the foreseeable future. Given this ongoing cash generation, combined with available facilities, Chorus is satisfied it will have sufficient liquidity to meet its obligations as they fall due.

The gross (inflows)/outflows of derivative financial liabilities disclosed in the table below represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement (for example forward exchange contracts).

30 June 2025	Carrying amount $M	Contractual cashflow $M	Within 1 Year $M	1–2 Years $M	2–3 Years $M	3–4 Years $M	4–5 Years $M	5+ Years $M
Non-derivative financial liabilities								
Trade and other payables	252	252	240	12	–	–	–	–
Leases (net settled)	162	272	23	21	20	18	17	173
Debt	3,137	2,571	90	387	285	568	548	692
NIFF securities	626	1,165	–	–	–	–	217	948
Derivative financial liabilities								
Interest rate swaps								
Outflows	59	64	17	17	13	8	6	3
Forward exchange contracts:								
Inflows	–	(18)	(18)	–	–	–	–	–
Outflows	–	18	18	–	–	–	–	–
Electricity forwards:								
Outflows	2	1	1	–	–	–	–	–

30 June 2024	Carrying amount $M	Contractual cashflow $M	Within 1 Year $M	1–2 Years $M	2–3 Years $M	3–4 Years $M	4–5 Years $M	5+ Years $M
Non-derivative financial liabilities								
Trade and other payables	243	243	230	13	–	–	–	–
Leases (net settled)	171	285	23	21	20	19	17	185
Debt	2,626	2,423	80	80	377	275	558	1,053
NIFF securities	744	1,335	171	–	–	–	–	1,164
Derivative financial liabilities								
Interest rate swaps								
Outflows	39	48	7	7	8	8	7	11
Cross currency interest rate swaps:								
Inflows	–	(568)	(5)	(5)	(558)	–	–	–
Outflows	33	600	37	33	530	–	–	–
Forward exchange contracts:								
Inflows	–	(20)	(17)	(3)	–	–	–	–
Outflows	–	19	16	3	–	–	–	–

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Note 20 – Financial risk management continued

Master netting arrangements

Chorus enters into derivative transactions under the International Swaps and Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the Statement of financial position, as Chorus does not currently have any legally enforceable right to offset recognised amounts. Under the ISDA agreements the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events. The potential net impact of this offsetting is shown below. Chorus does not hold, and is not required to post, collateral against its derivative positions.

Net derivatives after applying rights of offset under ISDA agreements are as opposite:

30 June 2025	Gross amounts of financial instruments in the statement of financial position $M	Related financial instruments that are not offset $M	Net amount $M
Financial assets			
Other investments including derivatives			
Interest rates swaps	49	(40)	9
Cross currency interest rate swaps	190	–	190
	239	**(40)**	**199**
Financial liabilities			
Interest rates swaps	(40)	40	–
Restructured interest rate swaps	(18)	–	(18)
Electricity futures	(2)	–	(2)
	(60)	**40**	**(20)**
30 June 2024			
Financial assets			
Other investments including derivatives			
Interest rates swaps	71	(39)	32
Cross currency interest rate swaps	19	(33)	(14)
Restructured interest rate swaps	8	–	8
Forward exchange contracts	1	–	1
	99	**(72)**	**27**
Financial liabilities			
Interest rates swaps used for hedging	(39)	39	–
Cross currency interest rate swaps	(33)	33	–
	(72)	**72**	**–**

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Note 20 – Financial risk management continued

Fair value

Financial instruments are either carried at amortised cost, less any provision for impairment losses, or fair value. The only significant variances between instruments held at amortised cost and their fair value relate to the EMTN, 2030 NZD Bond, and the 2028 NZD Bond.

For those instruments recognised at fair value in the statement of financial position, fair values are determined as follows:

Level 1	Fair value is determined using unadjusted quoted prices from an active market for identical assets and liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, a dealer, a broker, an industry group, a pricing service or a regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
Level 2	Fair value is determined using observable inputs – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets. Where quoted prices are not available, the fair value of financial instruments is valued using models where all significant inputs are observable.
Level 3	Fair value is determined using significant non-observable inputs. Financial instruments are valued using models where one or more significant inputs are not observable.

All financial instruments held at fair value are Level 2 instruments. Relevant financial assets and financial liabilities and their fair values are detailed in note 19.

Valuation of level 2 derivatives

The fair values of level two derivatives are determined using discounted cash flow models. The key inputs in the valuation models are:

Instrument	Valuation input
Cross currency interest rate swaps	Forward curve for the relevant interest rate and foreign exchange rate
Interest rate swaps	Forward interest rate curve
Electricity swaps	ASX forward price curve
Foreign exchange contracts	Forward foreign exchange rate curves

Hedge accounting

Chorus designates and documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. At hedge inception (and on an ongoing basis), hedges are assessed to establish if they are effective in offsetting changes in fair values or cash flows of hedged items.

Hedges are classified into two primary types: cash flow hedges and fair value hedges. Refer to note 19 for additional information on cash flow and fair value hedge reserves.

Capital risk management

Chorus manages its capital considering shareholders' interests, the value of its assets and credit ratings. The capital Chorus manages consists of cash and debt balances.

The Chorus Board's broader capital management objectives include maintaining an investment grade credit rating with headroom. In the longer term, the Board continues to consider a 'BBB' rating appropriate for a business such as Chorus.

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Note 21 – Contingent liabilities

There are no contingent liabilities as at 30 June 2025 (30 June 2024: no contingent liabilities).

Note 22 – Subsequent events

Dividends

On 25 August 2025 Chorus declared a unimputed dividend of 34.5 cents per share in respect of the year ended 30 June 2025.

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GOVERNANCE AND DISCLOSURES

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Corporate governance framework

This statement outlines the key aspects of our corporate governance framework. It is current at, and was approved by our Board on, 22 August 2025.

As an Aotearoa New Zealand company listed on the NZX, our corporate governance policies and practices meet the standards of that market. We have adopted and fully followed the recommendations set out in the NZX Corporate Governance Code (NZX Code).

Our Board regularly reviews and assesses our governance policies, processes and practices to identify opportunities for enhancement.

Chorus is also publishing its sustainability report, containing information on our sustainability strategy, including our environmental focus, our commitment to strengthening the digital capability in Aotearoa, and our commitment to helping our people thrive. The sustainability report is available at **company.chorus.co.nz/sustainability**.

Chorus is publishing its second group Climate Statements prepared under Aotearoa New Zealand's mandatory climate-related disclosures regime. Chorus Limited is a climate reporting entity under the new regime for the purposes of the Financial Markets Conduct Act 2013 (FMCA). A copy of the group Climate Statements prepared by Chorus, together with KPMG's assurance report, is available at **company.chorus.co.nz/sustainability**.

Our corporate governance practices and reporting against the recommendations set out in the NZX Code, are outlined on the following pages (refer to the index below) and in our Sustainability Report. Our key governance documents are available at **company.chorus.co.nz/about/governance**.

NZX Corporate Governance Code Principles		Pages
Principle 1	Ethical Standards	82
Principle 2	Board Composition & Performance	72–80
Principle 3	Board Committees	81–82
Principle 4	Reporting & Disclosure	83
Principle 5	Remuneration	84-90
Principle 6	Risk Management	91–92
Principle 7	Auditors	92
Principle 8	Shareholder Rights & Relations	93

Our Board

Our Board's role

Our directors are appointed by shareholders and have overall responsibility for strategy, culture, health and safety, governance and performance.

Board membership

Our Board's skills, experience and composition support effective governance and decision making, positioning it to drive shareholder value.

Our Board regularly assesses its composition utilising a skills matrix and annual evaluation processes. Training is provided or recruitment undertaken if new or additional skills or experience are required. This ensures diversity of thought, skills and expertise and that our Board has the tools and expertise to support our strategic direction.

Our constitution provides for a minimum of five and a maximum of 12 directors.

As at 30 June 2025 we had seven directors all of whom are independent directors. We have four male directors and three female directors. Our CEO is not a director on our Board.

Directors are not appointed for specified terms. However, the NZX listing rules require that no director's term exceeds three years, requiring all directors to stand for re-election before their third anniversary. Due to Chorus' succession planning, Chorus has at least one director standing for re-election each year. Miriam Dean stood for re-election in 2024. Neal Barclay, appointed by our Board in August 2024, was elected as a director by shareholders at the annual shareholders meeting in October 2024.

Mark Cross, Sue Bailey and Will Irving are due to stand for re-election in 2025.

Murray Jordan retired from our Board, effective as at 30 September 2024 after serving on our Board for nine years.

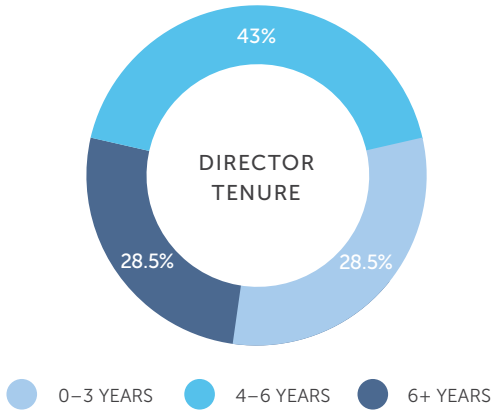
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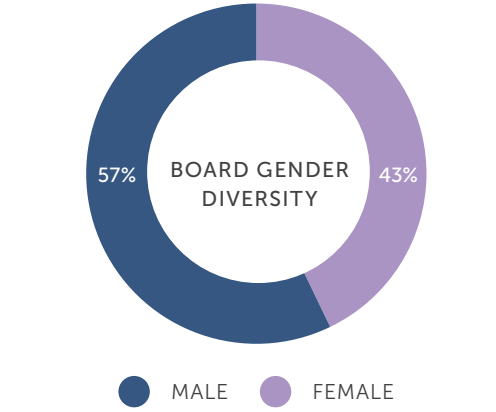
Expertise and experience matrix

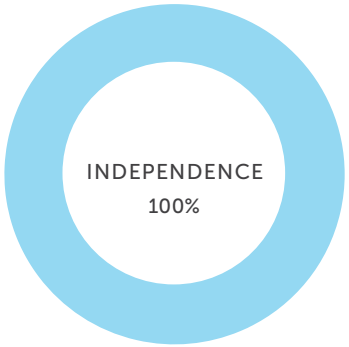
The following table reflects the strengths of the current Board based on a mix of key skills and experiences that are currently relevant for Chorus.

Skill/experience	Description	Combined Board
Strategy and Commercial	Experience developing and executing business strategies; capital allocation decision-making; assessing strategic risks and opportunities; developing new revenue streams; corporate venturing.	
Capital Markets, Investment, M&A and Shareholder Value	Experience in capital markets; debt and equity raising; M&A transactions; financial structuring for listed entities; understanding of shareholder value creation and capital management dynamics.	
Governance	Experience with large-scale private, public listed and/or public sector governance.	
Sustainability, Climate and ESG	Knowledge of sustainability risks and opportunities, ESG frameworks, climate-related risk management, and social/community engagement strategies.	
Technology and Digital	Experience with digital transformation, AI, emerging technologies, cyber security risk management, data management, leveraging connectivity technologies and innovation.	
Government, Regulatory and Public Policy	Experience managing relationships with government, regulators, and iwi; deep understanding of economic infrastructure regulation and public policy settings; specific experience with telecommunications regulation.	
Sector Expertise	Experience with current and emerging telecommunications technology, infrastructure and regulation; familiarity with industries undergoing digital and regulatory disruption; experience overseeing or delivering large-scale capital infrastructure programs.	
Customer Insight and Experience	Experience driving customer-led transformation, customer advocacy, enhancing customer experience, managing large customer bases, brand development and execution.	
Financial and Accounting, Legal, Risk and Compliance	Experience in financial management, accounting, treasury, financial reporting. Experience with oversight of financial controls, audit, legal and regulatory compliance, and risk management frameworks.	
People Leadership and Culture	Experience in leading organisational culture, workforce health and safety, succession planning.	

SOME EXPERIENCE MODERATE EXPERIENCE SUBSTANTIAL EXPERIENCE







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Board composition and performance

(NZX Code Recommendations 2.1–2.10)

Board Charter

(NZX Code Recommendation 2.1)

Our Board has a written charter outlining the roles and responsibilities of our Board and management. A copy of the Board Charter is available at **company.chorus.co.nz/about/governance.**

Summary[10] of our Board's roles and responsibilities:	
Strategic objectives and financial performance	• Approving strategies developed by Management in support of Chorus' purpose to achieve its strategic objectives • Monitoring the execution of strategies by Management • Approving the annual budget and financial plans • Approving major corporate initiatives • Approving expenditure or actions that exceed the limits delegated to the CEO
Culture	• Overseeing the effectiveness of Management plans to build and support a corporate culture that champions a safe, fair and inclusive workplace • Receiving reports from Management regarding Chorus' culture, including employee wellbeing
Risk management	• Overseeing the process for identifying significant risks facing Chorus • Overseeing systems of risk management and internal control and compliance (including compliance with Chorus' legal and regulatory obligations) • Ensuring that appropriate controls, monitoring and reporting mechanisms are in place • Overseeing the effective monitoring and management of health and safety
Financial reporting	• Approving Chorus' financial statements • Overseeing the integrity of Chorus' accounting and corporate reporting systems including liaising with Chorus' external auditor
Monitoring Management's performance and succession planning	• Considering the appointment, replacement and performance of the CEO • Considering the appointment and replacement of the CFO and the General Counsel • Overseeing succession plans for the CEO and their direct reports
Board performance and succession planning	• Reviewing the needs, size, independence, qualifications, skills, experience and composition of our Board to ensure the right Directors with the right skills sit around the boardroom table • Identifying and nominating or appointing Director candidates and overseeing Director induction and ongoing professional development • Carrying out Board succession planning, including for our Board Chair • Establishing, developing and overseeing evaluation processes to annually assess Board, Board Committee and individual Director performance
Continuous Disclosure	• Overseeing the process for making timely and balanced disclosure of all material information concerning Chorus
Remuneration	• Approving Chorus' remuneration policy and framework and satisfying itself that Chorus' remuneration policy is aligned with Chorus' purpose, values, strategic objectives, and risk appetite • Approving material changes to employee short and long term incentive plans
Governance and Sustainability	• Monitoring the effectiveness of Chorus' governance policies and practices including ensuring that an appropriate framework exists for information to be reported by Management to our Board • Approving Chorus' sustainability strategy • Overseeing the social, ethical, and environmental impact of Chorus' activities
Stakeholder Management	• Monitoring the relationships between Chorus and key stakeholders to ensure they are productive and healthy.

10 Summary primarily drawn from the Board Charter.

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Our Board

(NZX Code Recommendation 2.4)

Our Board and management are committed to ensuring our people act ethically, with integrity and in accordance with our policies and values.



Mark Cross

Joined: 1 November 2016

Last elected: 2022 Annual Meeting

Status: Independent

Chorus role: Chair (October 2022)

Experience: Mark is an experienced director with more than 20 years of international experience in corporate finance and investment banking

Chartered Fellow Institute of Directors NZ, Member of Chartered Accountants A&NZ, Member, Australian Institute of Company Directors

Previous roles: Chair – Milford Asset Management; Director – Z Energy, Genesis Energy, Argosy Property

Current roles outside Chorus: Director and Audit & Risk Management Committee Chair – Xero; Board member and investment committee chair – Accident Compensation Corporation (ACC); Director and Audit & Risk Committee Chair – Fisher & Paykel Healthcare.



Sue Bailey

Joined: 31 October 2019

Last elected: 2022 Annual Meeting

Status: Independent

Chorus role: Non-executive director/Chair of the People, Performance and Culture Committee

Experience: Sue is an experienced director with a career of more than 30 years in telecommunications spanning fixed telephony, mobile and broadband services. Responsibilities included product and brand marketing, customer lifecycle management, strategy and leading large scale transformation

Member of the Australian Institute of Company Directors

Previous roles: Member of the Executive leadership team – Optus. CEO – Virgin Mobile Australia. Senior Vice President – Virgin Mobile USA

Current roles outside Chorus: Director and People, Safety and Environment Committee Chair – Careflight.



Neal Barclay

Joined: 26 August 2024

Last elected: 2024 Annual Meeting

Status: Independent

Chorus role: Non-executive director / member of the Audit and Risk Management Committee

Experience: Neal has extensive executive experience in the electricity and telecommunications industries in New Zealand

Chartered Accountant Fellow (FCA), Member of Chartered Accountants A&NZ.

Previous roles: Neal was Chief Executive of Meridian Energy from January 2018 until 30 June 2025. Having joined Meridian in 2008 as Chief Financial Officer, he subsequently led the significant operational parts of the business as General Manager Generation, Wholesale and Renewable Development and then General Manager Retail. Prior to joining Meridian Energy, Neal spent 13 years at Telecom New Zealand in a number of senior finance leadership roles

Current roles outside Chorus: Director – Air New Zealand.



Miriam Dean

Joined: 27 October 2021

Last elected: 2024 Annual Meeting

Status: Independent

Chorus role: Non-executive director/member of the People, Performance and Culture Committee

Experience: As a King's Counsel and independent director, Miriam has extensive experience in commercial dispute resolution and governance, with a specialty in competition, consumer and regulatory law. Miriam also has significant experience in the infrastructure and regulatory sectors and in leading various government and private sector inquiries and reviews

Previous roles: Director – Crown Infrastructure Partners; Chair – NZ on Air; Deputy chair – Auckland Council Investments; Deputy chair – Commerce Commission

Current roles outside Chorus: Director – Crown Infrastructure Delivery; Chair – Banking Ombudsman Scheme; Deputy chair – Real Estate Institute of New Zealand; Member of several government-related advisory boards.

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Our Board

Our Board and management are committed to ensuring our people act ethically, with integrity and in accordance with our policies and values.



Will Irving

Joined: 26 October 2022

Last elected: 2022 Annual Meeting

Status: Independent

Chorus role: Non-executive director/member of the Audit and Risk Management Committee

Experience: Will has more than 25 years of telecommunications industry experience having held a range of senior roles in the telecommunications industry in Australia ranging across strategy, wholesale, small and medium business customer sales and service, and as a lawyer

Previous roles: Interim CEO – Telstra InfraCo; Group Executive – Telstra Wholesale; Group Managing Director – Telstra Business. Prior to his commercial management roles, Will was Group General Counsel of Telstra

Current roles outside Chorus: Chief Strategy and Transformation Officer – NBN Co Limited (company established to design, build and operate Australia's wholesale broadband access network).



Kate Jorgensen

Joined: 1 July 2020

Last elected: 2023 Annual Meeting

Status: Independent

Chorus role: Non-executive director/Chair of the Audit and Risk Management Committee

Experience: Kate has extensive experience in strategic, commercial, financial, and audit matters, with several senior leadership positions held in NZ's telecommunications, infrastructure, and construction industries. Kate holds a Masters in Technological Futures and a Bachelor of Business. Member of Chartered Accountants A&NZ, and Chartered Member of the Institute of Directors NZ

Previous roles: CFO – Vodafone NZ, KiwiRail, and Fletcher Building's infrastructure division

Current roles outside Chorus: Director – Kiwibank. Director – Suncorp NZ (Vero Insurance & Vero Liability); Director and Audit & Risk Committee Chair – Southern Cross Medical Care Society.



Jack Matthews

Joined: 1 July 2017

Last elected: 2023 Annual Meeting

Status: Independent

Chorus role: Non-executive director/member of the People, Performance and Culture Committee

Experience: Jack is an experienced director who has held a number of senior leadership positions within the media, telecommunications and technology industries in Australia and New Zealand

Previous roles: Director – Crown Infrastructure Partners, Plexure Group, The Network for Learning, APN Outdoor Group and Trilogy International. CEO – TelstraSaturn, Fairfax Media's Metro Division, Fairfax Digital. Chief Operating Officer – Jupiter TV (Japan)

Current roles outside Chorus: Chair – Lodestone Energy.

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Our Board continued

Mark Cross, Sue Bailey and Will Irving are retiring by rotation and standing for re-election at our 2025 Annual Shareholders' Meeting (ASM). Murray Jordan retired from our Board, effective as at 30 September 2024.

Our Board has determined that collectively its directors have the requisite range of strategic, financial, and industry skills and experience in the key areas set out on page 73.

A summary of current directors skills, experience and qualifications is set out on pages 75 and 76, and on our website at **company.chorus.co.nz/about/governance/board-of-directors.**

As the Chorus business evolves, so too does our Board. Chorus' beginnings were focused on infrastructure build and project management. With the success of the build, we are now focused on connecting customers, delivering excellent customer experience as well as future connectivity and non-regulated revenue opportunities. Our Board is also focused on the increasing risks and opportunities of climate change, and how that fits into Chorus' overall strategy. Our Board considers it is important to balance both specialist expertise and the ongoing need for strong general commercial expertise.

Appointment

(NZX Code Recommendations 2.2 & 2.3)

Our Board may appoint additional directors to our Board or to fill a casual vacancy. Any director appointed by our Board is required to stand for election at the next ASM. Neal Barclay was appointed by our Board in August 2024 and was elected by shareholders at the ASM in October 2024.

The independence, qualifications, skills and experience needed for the future and those of existing Board members are reviewed by our Board before appointing new directors. External advisors are also engaged to identify potential candidates.

To be eligible for selection, candidates must demonstrate appropriate qualities and satisfy our Board they will commit the time needed to be fully effective in their role.

Appropriate checks are undertaken before a candidate is appointed or recommended for election as a director, including as to the person's character, experience, education, criminal record and bankruptcy history.

Shareholders may also nominate candidates for appointment to our Board. In addition, under our remaining UFB agreement, National Infrastructure Funding and Financing (NIFF, previously CIP) is entitled to nominate one person as an independent director. NIFF have never exercised this entitlement. Should this occur, our Board must consider this nomination in good faith, but the appointment (and removal) of any such person as a director is to be made by shareholders in the same way as other directors.

We have written agreements with each non-executive director setting out the terms of their appointment, including obligations and responsibilities, compliance with our policies (including code of ethics and securities trading) and ongoing professional development.

No person who is an 'associated person' (as defined in Chorus' Constitution) of a telecommunications services provider in New Zealand may be appointed or hold office as a director.

Minimum shareholding policy

Chorus' Minimum Shareholding Policy sets the expectation on directors to hold, at a minimum, shares equal in value to one year's director base fee (after tax). If not held at their date of appointment, the policy expects directors to accumulate this holding over the first three years from that date.

Diversity, equity and inclusion policy

(NZX Code Recommendation 2.5)

Information about Chorus' approach to diversity, equity and inclusion is found on page 88 of this report.

Director	Appointed	Last elected at ASM
Miriam Dean	2021	2024
Neal Barclay	2024	2024
Kate Jorgensen	2020	2023
Jack Matthews	2017	2023
Mark Cross	2016	2022
Sue Bailey	2019	2022
Will Irving	2022	2022

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Our Board continued

Director induction and professional development
(NZX Code Recommendation 2.6)

Our director induction programme ensures new directors are appropriately introduced to management and our business, provides directors with relevant industry knowledge and familiarises them with key governance documents and key stakeholders.

Our directors are expected to continue ongoing professional development to ensure they maintain appropriate expertise to effectively perform their duties.

We hold dedicated Board education sessions covering a range of topical matters, both technical and cultural.

Visits to our operations, briefings from key management, industry experts and key advisers, together with educational and stakeholder visits, are also arranged for our Board.

Review and evaluation of Board performance
(NZX Code Recommendation 2.7)

Our Board evaluates its performance each year. As part of this year's process our chair met with directors individually to discuss their performance. Our Board undertook a formal Board performance evaluation in late 2023 with an external consultant. The review confirmed that our Board is operating well with actions identified to further enhance our governance focus and outcomes.

Our Board also formally engages in annual reviews of our Board chair, and chairs of our standing Board committees.

In addition to Board performance reviews, our Board takes a future focused approach to future Board capability, composition and the potential contribution of each existing director.

Independent advice

A director may, with our chair's prior approval, obtain independent professional advice (including legal advice) and request the attendance of advisers at Board and Board committee meetings. No external advice was sought this year, and no individual Board member advisers were asked to attend any meetings.

Independence
(NZX Code Recommendations 2.4 & 2.8)

The Board has determined that, as at 30 June 2025, all our directors, including our Board chair, are independent directors.

When assessing independence, our Board will consider whether a director is free of direct or indirect interests, positions or associations with Chorus and other relationships that could influence, or could reasonably be perceived to influence, the director's capacity to bring an independent view to decisions about Chorus, act in the best interests of Chorus or represent the interest of Chorus' shareholders generally.

Our Board considers materiality in the context of each relationship and from the perspective of the parties to that relationship.

Delegation of authority

Our Board has overall responsibility for strategy and financial performance, culture, risk management, health and safety, governance and sustainability, and performance.

Implementation of our Board approved strategy, business plan and governance frameworks, and responsibility for developing our culture and health and safety practices, is delegated by our Board to management through the CEO.

As such our CEO (with the support of his executive team) is responsible for Chorus' day-to-day management, operations and leadership, reporting to our Board on key performance, management and operational matters.

Our CEO sub-delegates authority to his executive team and they sub-delegate their authority to other Chorus employees within specified financial and non-financial limits.

Formal policies and procedures govern the parameters and operation of these delegations.

Our CEO is not a director on our Board.

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Director interests and trading

(NZX Code Recommendation 2.4)

As at 30 June 2025, directors had a relevant interest (as defined in the Financial Markets Conduct Act 2013) in approximately 0.049% of shares as follows:

Current Directors

	Interest as at 30 June 2025		Transactions during the reporting period			
Director	**Shares**	**Interest**	**Number of shares**	**Nature of transaction**	**Consideration**	**Date**
Mark Cross	50,711	Beneficial owner as beneficiary of Alpha Investment Trust; power to exercise voting rights and acquire/dispose of financial products as director of trustee.	–	–	–	–
Sue Bailey	50,000	Registered holder and beneficial owner	–	–	–	–
Neal Barclay	24,320	Registered holder and beneficial owner	11,233	On market acquisition	$99,974	4 December 2024
			13,087	On market acquisition	$105,000	7 April 2025
Miriam Dean	10,000	Registered holder and beneficial owner of ordinary shares as trustee and beneficiary of the Miriam Dean Trust	–	–	–	–
Will Irving	45,000	Registered holder and beneficial owner	5,000	On market acquisition	$42,253	28 February 2025
Kate Jorgensen	12,975	Registered holder and beneficial owner	–	–	–	–
Jack Matthews	19,881	Registered holder and beneficial owner	–	–	–	–

As at 30 June 2025, directors had a relevant interest (as defined in the Financial Markets Conduct Act 2013) in approximately 0.004% of Chorus' NZX bonds maturing December 2028 as follows:

	Interest as at 30 June 2025		Transactions during the reporting period			
Director	**Bonds**	**Interest**	**Number of bonds**	**Nature of transaction**	**Consideration**	**Date**
Miriam Dean	20,000	Registered holder and beneficial owner as trustee and beneficiary of the Miriam Dean Trust	–	–	–	–

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Director interests and trading continued

Changes in Director interests to 30 June 2025

Mark Cross	Became a director of Fisher & Paykel Healthcare Corp[11]
Sue Bailey	None
Neal Barclay	Became a director of Air New Zealand[12]
	Director of Dam Safety Intelligence Limited[13], Flux Federation Limited[13], Meridian Energy Captive Insurance Limited[13], Meridian Energy International Limited[13], Meridian Limited[13], Powershop New Zealand Limited[13].
	Retired as a director of Dam Safety Intelligence Limited[14], Flux Federation Limited[14], Meridian Energy Captive Insurance Limited[14], Meridian Energy International Limited[14], Meridian Limited[14], Powershop New Zealand Limited[14].
Miriam Dean	None
Will Irving	None
Kate Jorgensen	Became a director of Southern Cross Medical Care Society[15]
Jack Matthews	Became a director of Lodestone Energy Holdings No.3 Limited[16]
	Became a director of Lodestone Manawatu Limited[17]

Notes:

11 From 1 October 2024.
12 From 1 May 2025.
13 Interests notified on 26 August 2024 (on Mr Barclay's appointment to the Chorus Board).
14 From 30 June 2025.
15 From 10 February 2025.
16 From 30 July 2024.
17 From 21 August 2024.

Board chair

(NZX Code Recommendations 2.9 & 2.10)

Our chair is elected by our Board and must be a non-executive, independent director.

The chair's responsibilities include:

- Leading our Board;
- Setting the agenda for Board meetings in consultation with the CEO;
- Facilitating the effective contribution of all directors;
- Promoting constructive relationships between directors and management; and
- Leading stakeholder relationships

The chair's other commitments must not hinder his or her effective performance in the role.

Board and Board committee meeting attendance in the year ended 30 June 2025

(NZX Code Recommendation 2.4)

	Regular Board meetings	Other Board meetings[18]	ARMC	PPCC
Total number of meetings held	7	3	4	4
Mark Cross[19]	7	3		
Sue Bailey	7	3		4
Neal Barclay[20]	6	2	3	
Miriam Dean	7	2		4
Will Irving	7	3	4	
Murray Jordan[21]	2	2		1
Kate Jorgensen	7	3	4	
Jack Matthews[22]	7	3	1	3

Notes:

18 Includes dedicated Board education, and strategy and business planning, meetings. Directors also have health and safety site visits each year.
19 Mark Cross, as Board chair, attends all Board committee meetings. As he is no longer a formal member of the ARMC or PPCC (following his appointment as Board Chair in October 2022), that attendance is not noted in the table.
20 Neal Barclay was appointed to our Board and ARMC on 26 August 2024.
21 Murray Jordan resigned from our Board, effective on 30 September 2024.
22 Jack Matthews transferred from the ARMC to the PPCC on 30 September 2024 as a replacement for Murray Jordan.

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Board committees

(NZX Code Recommendations 3.1–3.6)

Two standing Board committees assist our Board in carrying out its responsibilities. Some Board responsibilities, powers and authorities are delegated to those committees.

Board committees assist our Board by focusing on specific responsibilities in greater detail than is practicable for our Board as a whole. Each standing Board committee has a Board approved charter and chair. Committee members are appointed by our Board. Chorus employees attend Committee meetings at the invitation of the Committee.

Other committees may be established and specific responsibilities, powers and authorities delegated to those committees and/or to particular directors.

(NZX Code Recommendations 3.4)

The Nominations and Corporate Governance Committee was disestablished in 2022, with its' responsibilities for director appointment, evaluation, succession planning, education and Board governance now undertaken by our Board. It was disestablished to streamline the governance framework following an internal review of the committees.



Audit and Risk Management Committee (ARMC)

(NZX Code Recommendations 3.1)

Role	Our ARMC assists our Board in overseeing our risk and financial management, accounting, audit and financial reporting
Members[23]	Kate Jorgensen (chair), Jack Matthews, Will Irving, Neal Barclay
Independence	All committee members are non-executive independent directors. Our Board chair cannot also be the ARMC chair.
Responsibilities	• Overseeing the quality and integrity of external financial and non-financial reporting, financial management, internal controls and accounting policy and practice • Regularly reviewing principal risk reporting • Recommending to our Board the appointment, and if necessary removal, of the external auditor • Assessing the adequacy of the external audit and independence of the external auditor • Reviewing and monitoring the internal audit plan and reporting • Overseeing the independence and objectivity of the internal audit function • Reviewing compliance with applicable laws, regulations and standards • Overseeing and monitoring progress in the implementation of Chorus' climate strategy, including oversight of climate-related risks and opportunities and reviewing Chorus' compliance with the climate-related disclosures regime.

23 Neal Barclay joined the ARMC on his appointment to our Board on 26 August 2024. Jack Matthews transferred to the PPCC on the retirement of Murray Jordan on 30 September 2024.

People, Performance and Culture Committee (PPCC)

(NZX Code Recommendation 3.3)

Role	Our PPCC assists our Board in overseeing people, culture and related policies and strategies
Members[24]	Sue Bailey (chair), Miriam Dean, Murray Jordan, Jack Matthews
Independence	All committee members are non-executive independent directors
Responsibilities	• Reviewing people and remuneration strategies, structures and policies • Approving annual remuneration increase guides and budgets • Reviewing candidates for, and the performance and remuneration of, our CEO • Approving, on the recommendation of our CEO, the appointment of our CEO's executive direct reports (except our CFO and General Counsel whose appointment is approved by our Board and their terms of employment) • Reviewing our CEO's performance evaluation of his executive direct reports • Developing and annually reviewing and assessing diversity, equity and inclusion and its reporting • Overseeing recruitment, retention and termination policies and procedures for senior management • Making recommendations (including proposing amendments) to our Board with respect to senior executive (including CEO) incentive remuneration plans / policies • Annually reviewing non-executive director remuneration.

24 On Murray Jordan's retirement on 30 September 2024, Sue Bailey was appointed PPCC Chair, with Jack Matthews transferring from the ARMC to the PPCC.

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Board committees continued

Takeovers protocol

(NZX Code Recommendation 3.6)

We have a takeovers protocol setting out the procedure to be followed if there is a takeover offer, including managing communications between insiders and the bidder and engagement of an independent adviser. The protocol includes the option of establishing an independent takeover committee, and the likely composition and implementation of that committee.

Ethical standards

(NZX Code Recommendations 1.1 & 1.2)

Codes of ethics

(NZX Code Recommendation 1.1)

Directors and employees are expected to act honestly and with high standards of personal integrity. Codes of ethics for our directors and employees set the expected minimum standards for professional conduct. These codes facilitate behaviours and decisions that are consistent with our values, business goals and legal and policy obligations, including in respect of:

- Conflicts of interest;
- Gifts and personal benefits;
- Anti-bribery and corruption;
- Use of corporate property, opportunities and information;
- Confidentiality;
- Compliance with laws and policies; and
- Reporting unethical behaviour.

We have communicated our codes of ethics and provided annual training to our directors and employees. Our people are also encouraged to report any unethical behaviour, including annual reporting of any potential conflicts.

This process is subject to internal audit. All reported breaches are investigated.

Chorus has a dedicated whistle-blower email address and phone number monitored by PwC as part of our risk management framework to allow confidential reporting of serious misconduct or wrongdoing and suspected fraud or corruption. For more information, see the 'Thriving People' section of our Sustainability Report available at **https://company.chorus.co.nz/sustainability.**

Trading in Chorus securities

(NZX Code Recommendation 1.2)

All trading in Chorus securities by directors and employees must be in accordance with our Securities Trading Policy. That policy prohibits trading in Chorus securities while in possession of inside information and requires, amongst other things:

- Directors to notify, and obtain consent from, the chair (or in the chair's case, the ARMC chair) before trading; and
- Employees identified as potentially coming across market sensitive information in the course of their employment ("restricted persons"), to obtain consent from our General Counsel (or in our General Counsel's case, our Board chair) before trading.

Trading in Chorus shares or NZX listed bonds by directors is disclosed to our Board, the NZX and ASX. Trading by "senior managers" as that term is defined in the FMCA, is disclosed to the NZX.

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Reporting and disclosure

(NZX Code Recommendations 4.1–4.4)

Chorus reviews its disclosure regularly as a key measure of good governance.

Our Board's aim is to improve our disclosures each year, including our remuneration reporting, based on market research and feedback from investors and other stakeholders.

Market disclosures

(NZX Code Recommendation 4.1)

We are committed to providing timely, factual and accurate information to the market consistent with our legal and regulatory obligations.

We have a Board approved Disclosure Policy and a CEO approved Market Disclosure Policy setting out our disclosure practices and processes in more detail.

Our disclosure policies are designed to ensure:

- Roles of directors, executives and employees are clearly set out.
- Appropriate reporting and escalation mechanisms are established.
- There are robust and documented confidentiality protocols in place where appropriate.
- Only authorised spokespersons comment publicly, within the bounds of information which is either already publicly known or non-material.

Key Governance Documents

(NZX Code Recommendation 4.2)

Chorus' website has a dedicated governance section that contains information about our Board, our Board committees (including our Board and committee charters) and key policies that outline our core governance structures and processes. These include policies and codes covering areas such as ethics and conduct, health & safety, modern slavery, diversity, equity and inclusion, compliance, remuneration, risk management, share trading and whistle blowing. The governance section can be found at **https://company.chorus.co.nz/about/governance.**

Reporting

(NZX Code Recommendation 4.3)

Chorus' financial reports are prepared in a manner that is balanced, clear and objective. The financial statements in this Annual Report are prepared in accordance with NZ GAAP and comply with NZ IFRS.

Non-financial disclosures

(NZX Code Recommendation 4.4)

In addition to the Annual Report containing our financial statements, we publish a Sustainability Report which contains information on our sustainability strategy, including our environmental focus, our commitment to strengthening digital capability in Aotearoa, and our commitment to helping our people thrive.

This year also marks our second Climate Statements prepared under the mandatory climate-related disclosures regime. Copies of our Climate Statements and the Sustainability Report can be found at **https://company.chorus.co.nz/sustainability.**

Our approach to tax

We take our tax obligations seriously and work closely with Inland Revenue to ensure we meet our tax obligations.

We obtain external advice and Inland Revenue's views (through informal correspondence, determinations or rulings) in respect of unusual or material transactions.

As we operate only in New Zealand all our tax is paid in New Zealand at the prevailing corporate tax rate (currently 28%). We have paid all taxes we owe and all tax compliance obligations are up to date.

Page not audited

Remuneration and performance

(NZX Code Recommendations 5.1–5.3)

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Our remuneration model

(NZX Code Recommendation 5.1)

Our remuneration model is designed to enable the achievement of our strategy, whilst ensuring that remuneration outcomes are aligned with employee and shareholder interests. The PPCC assists our Board in overseeing Chorus' remuneration, people, culture and related policies and strategies. See page 81.

There were no material changes to Chorus' remuneration strategy or policy in FY25, however we have refreshed our remuneration principles as we head into FY26 to better align with our new strategy and commitments to our people. Our policy is designed around six new guiding principles:

Chorus Remuneration Principles

1. **Equitable and Inclusive**
   We are committed to pay equity across all roles and levels, ensuring fair and equitable remuneration for all employees. Our rewards ensure employees and shareholders share in the success of Chorus.
2. **Performance-Driven and Growth-Oriented**
   Our remuneration framework supports a culture of high performance, continuous improvement, and personal growth. Reward is aligned with meaningful contributions to our strategic priorities.
3. **Valued by Our People**
   We listen to our employees and design reward offerings that are relevant, flexible, and appreciated—supporting wellbeing and personal choice.
4. **Simple, Transparent, and Efficient**
   Our approach is easy to understand and administer, promoting clarity, trust, and fairness. Simplicity enables better decision-making and enhances employee confidence in the framework.
5. **Market-Informed, Not Market-Led**
   We use robust market data to guide remuneration decisions, ensuring we remain competitive while staying true to our equity commitments. We aim to pay fairly — not over or under—based on role, competency, impact, and market context.
6. **Distinctively Chorus**
   Our remuneration practices reflect who we are—innovative, inclusive, and purpose-driven. We balance shareholder expectations with our commitment to our people, creating a unique and compelling employee value proposition.

Our remuneration policy sets out our approach to remuneration for both directors and employees (including the CEO and his direct reports).

(NZX Code Recommendation 5.2)

The CEO and members of the executive leadership team have the potential to earn a short term incentive (STI) and a long term incentive (LTI). Both STI and LTI are deemed at risk because the outcome is determined by performance against a combination of pre-determined financial and non-financial objectives.

Fixed remuneration

Fixed remuneration (not at risk) consists of base salary and other benefits including KiwiSaver. Fixed remuneration is adjusted each year based on data from independent remuneration specialists. Employees' fixed remuneration is based on a combination of their own performance and their current position when compared to the market.

Short term incentive

Senior employees were invited to participate in the FY25 STI scheme. The FY25 STI is an at risk component payment, that is set as a percentage of base remuneration, from 15% to 30% based on the complexity of the role. The CEO's STI is set at a higher percentage of base remuneration (currently 50% – see page 87 for CEO performance measures). STI payments are determined following a review of company and individual performance and paid out at an individual multiplier of between 0× and 1.25× for the CEO and executive leadership team, and between 0× and 1.4× for all other employees.

Company performance goals are set and reviewed annually by our Board to align with shareholder value with a continued emphasis on customer experience and revenue growth for the FY25 STI measures. See Figure 1.

A gateway goal is fundamental to the STI structure. This ensures a preliminary threshold of financial success and affordability, before any other measures can be considered for potential STI payments. If the gateway goal is not achieved, no STI is payable.

The STI payment is at the ultimate discretion of our Board and is based on performance against key financial and non-financial measures. Some of the non-financial measures include delivering on growth opportunities and the experience of both our customers and our employees, and executing our new strategy. Separate Board targets associated with D,E&I and health & safety are also considered.

As an example of how the STI is calculated, an employee with base remuneration of $100,000 and an STI element of 15% may receive between $0 and $29,400 depending on the level of company performance (0× to 1.4× multiplier) multiplied by their individual performance (0× to 1.4× multiplier). Individual performance is assessed by what employees achieve within their role and how they perform their role.

Remuneration and performance continued

Figure 1:

FY25 STI Targets and Results

		FY25 target	FY25 actual	FY25 achieved
40%	**EBITDA – Sustaining Capex:** Gateway hurdle of $667m EBITDA met. New metric introduced in FY25 to align with our new capital management framework and ensure capital investment discipline.	$504m	$508[27]	**Exceeded target**
20%	**Revenue growth:** grow FY25 revenue by at least 1.7%	$1,027m +1.7%	$1,014m 0.4%	**Target not met**
20%	**Strategic Initiatives:** qualitative assessment by Board based on long-term business initiatives including executing our "Road to 2030" strategy roadmap, regulatory advancements and evolving our sustainability plan.	Various	As assessed by our Board	**Met target**
10%	**Customer experience:** intact fibre connection target of 7.9/10 and assure target of 8.4/10[25]	7.9/10 Intact 8.4/10 Assure	8.1/10 8.5/10	**Exceeded target**
10%	**Employee experience:** 1. Engagement – top 25% of technology benchmark 2. H&S – Chorus critical risks remain in tolerance or where out of tolerance a timebound remediation plan is agreed within 20 days and 100% implemented[26]	Top 25% H&S risks In tolerance	Top 25% In tolerance	**Met target**

Long term incentives

Chorus offers an executive LTI share scheme to align the interests of executives and shareholders and encourage longer term decision making. This at risk payment is described in Note 16 of the financial statements on page 57.

The LTI scheme for the 2024 grant is an absolute rather than a relative return based scheme. A blended total shareholder return rate was adopted which primarily reflects the regulated WACC set for Chorus' fibre assets. This incorporates a weighted cost of equity calculation, proportional to the regulated versus non-regulated components of the business and based on relative enterprise value. A 0.75% stretch percentage was added to the weighted cost of equity calculation to determine the three-year performance hurdle. Vesting is progressive where 50% of the grant vests once the threshold is met (weighted cost of equity) and then vests in a straight line up to 100% vesting when the weighted cost of equity plus the stretch hurdle is achieved. No more than 100% of the LTI grant can vest.

Following review both internally and with stakeholders, the LTI scheme for the 2025 grant (August 2025) will have both an absolute shareholder return component (at 50%, calculated on the same basis as the current LTI, including the 0.75% stretch) and a relative shareholder return component (at 50%). It was decided to use the S&P/NZX Morrison Index (of New Zealand's 10 largest infrastructure companies) for the relative shareholder return hurdle to reflect Chorus' evolution from a build to an operating infrastructure company. The Board's view is that having both absolute and relative return components provides a balanced approach that retains the alignment between management incentives and shareholder value.

To further align executive and shareholder interests, a minimum shareholding policy was introduced in 2019. Executives are expected to hold a minimum of 25% of their after tax base remuneration in Chorus shares. The CEO is expected to hold 30% of his/her after tax base remuneration in Chorus shares. Our Board-approved policy allows an Executive to accumulate this holding over the first five years of employment as an Executive.

25 Please refer to page 11 for more detail on our customer satisfaction initiatives.

26 This measure was added to the scorecard from 1 January 2025 to reinforce our commitment to maintaining a culture of safety and wellbeing both within Chorus and through our service partners. It should be noted that if there is a serious incident as a result of a failure in Chorus's H&SMS, our Board retains discretion regarding the impact of this measure.

27 This excludes $9 million of redundancy costs for operating model changes and costs for the exploration of strategic opportunities highlighted at the December 2024 Investor Day.

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Remuneration and performance continued

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Chief Executive Officer employment agreement and remuneration

(NZX Code Recommendation 5.3)

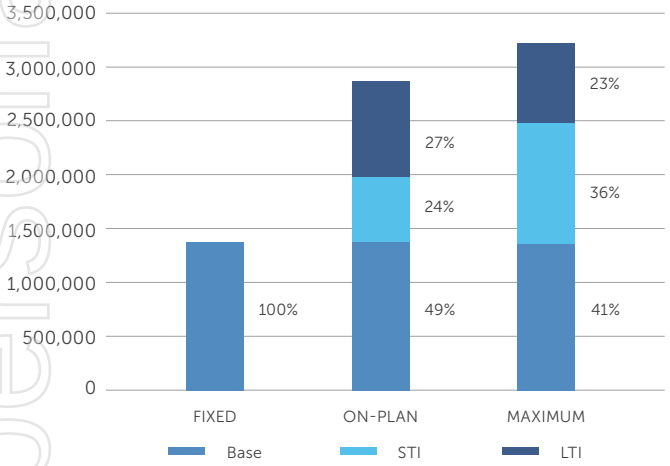
Mark Aue was appointed the CEO in April 2024. His employment agreement reflects standard conditions that are appropriate for a senior executive of a listed New Zealand company. The employment agreement may be terminated by:

- either he or Chorus giving six months' notice in writing;
- Chorus without notice in the case of serious misconduct, serious breach (including substantial non-performance) or other cause justifying summary dismissal; or
- Chorus immediately, if our Board forms the view that substantial incompatibility and/or irreconcilable differences have developed with him, or our Board otherwise wishes to terminate his employment when he is not at fault (including a redundancy situation or medical incapacity).

Our CEO has a significant portion of his remuneration linked to performance and at risk. His total remuneration is determined using a range of external factors, including advice from remuneration specialists, and is annually reviewed by the PPCC and Board.

CEO FY26 remuneration package

The scenario chart below outlines the elements of the CEO remuneration package for Mark Aue for FY26. The on-plan scenario includes on-target STI and the threshold payment for the LTI. The maximum scenario includes maximum STI (both individual and company multiplier) and 100% LTI vesting.



CEO remuneration for FY24 and FY25 (earned) was:

CEO		Fixed remuneration	STI	LTI	Total remuneration
Mark Aue	FY25	$1,302,125	$747,500[28]	–	$2,049,625
Mark Aue[29]	FY24	$274,939	$194,893[30]	–	$469,832
J B Rousselot	FY25	–	–	$668,823	$668,823
J B Rousselot	FY24	$1,766,150	$1,253,070[30]	–	$3,019,220

Other benefits paid to Mark Aue: Chorus KiwiSaver contribution FY24 $8,215/FY25 $55,536.
Other benefits paid to J B Rousselot: Chorus KiwiSaver contribution FY24 $52,097.

Five year summary of CEO remuneration (earned):

CEO		Total remuneration	% STI awarded against maximum	% LTI awarded against maximum	Span of LTI performance period
Mark Aue	FY25	$2,049,625	66%	–	2024-2027
	FY24[31]	$469,832	82%	n/a	—
J B Rousselot	FY25[32]	$668,823	0%	100%	2021-2024
	FY24	$3,019,220	69%	0%	2020-2023
	FY23	$3,009,726	65%	100%	2019–2022
	FY22	$2,442,500	67%	—	—
	FY21	$2,018,750	47%	—	—

28 FY25 STI was earned in FY25 but due to be paid in FY26.
29 Pro-rated from start date of 15 April 2024.
30 FY24 STI was earned in FY24 but paid in FY25.
31 Pro-rated from start date of 15 April 2024.
32 Remuneration only includes the value of the 2021 LTI that vested.

Remuneration and performance continued

CEO STI & LTI Schemes

Mark Aue

The table below outlines Mr Aue's STI and LTI schemes for the period ending 30 June 2025.[33]

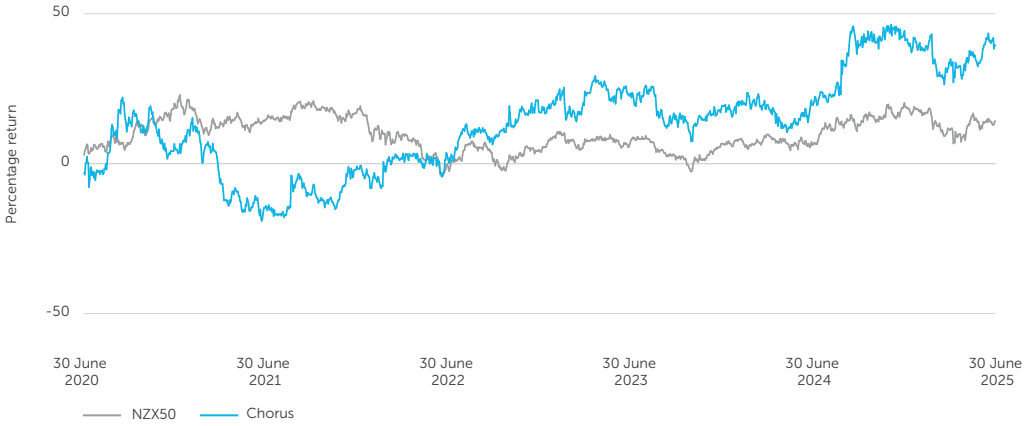
	Description	Performance measures	% achieved
STI	Set at 50% of base remuneration. Based on key financial and non-financial performance measures.	• Company performance – see FY25 STI Targets on page 85 for weightings. • Individual performance – based on business fundamentals (both financial and non-financial), customer experience and strategic initiatives including health and safety, sustainability and D,E&I	66%
LTI 2024	Three-year grant made August 2024, equivalent to 55% of base salary	• Chorus TSR performance over the grant period must be between 8.04% and 8.79% on an annualised basis compounding.[34]	Assessed August 2027. No re-testing.

33 The STI payment earned in FY25 will be paid in FY26.
34 A blended rate which incorporates a weighted cost of equity calculation proportional to the regulated versus non regulated components of the business, based on relative Enterprise Value has been used.

Executive Shareholding

As a result of resetting of the business strategy and a largely new Executive team, equity accumulation is yet to occur. Executive shareholdings are expected to accumulate over time (including as and when long-term incentives are realised).

Total Shareholder Return (TSR) performance



The graph above shows Chorus' TSR performance against the NZX50 between 30 June 2020 and 30 June 2025. Source: Bloomberg and NZX.

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Remuneration and performance continued

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Diversity, Equity and Inclusion

(NZX Code Recommendation 2.5)

Chorus' Diversity, Equity and Inclusion Policy (available in the Governance section of our website) provides a framework for our current and future diversity and inclusion initiatives. Each year, the Chorus Board approves measurable objectives to promote diversity, equity and inclusion (D,E&I). An overview of the agreed FY25 D,E&I measures and the outcomes achieved can be found in our Sustainability Report.

There have been no changes in the gender ratio at director level in FY25 with four male and three female directors at 30 June 2025 (30 June 2024: four males and three females).

Our executive team comprising of the CEO and his direct leadership team had six males and three females at 30 June 2025 (30 June 2024: six males and five females).

With the strong support of our Board, Chorus remains committed to advancing our Diversity, Equity & Inclusion **(D,E&I)** objectives. We have introduced new metrics that reflect priorities in our new Gender Equity Plan, while continuing to track existing measures to ensure sustained progress and accountability. Following the annual review of our D,E&I policy and progress against measurable objectives, our Board is pleased with the meaningful strides we are making—particularly in relation to gender equity, where our efforts are delivering tangible outcomes. We continue to embed D,E&I, supporting our ambition to build a resilient, future-focused organisation that embraces diversity as a catalyst for innovation and performance.

Median Pay Gap

The median pay gap is 9.5 times and represents the number of times greater the CEO's base salary of $1,300,000 (annualised) is to an employee paid $137,000 (i.e. the median of all Chorus employees). The gap is 14.2 times when including the FY25 STI target for the CEO.

Gender pay equity

We monitor and report on remuneration outcomes by gender to ensure pay equity at Chorus and have developed and implemented a new Gender Equity Plan to identify, address and mitigate any inequities. At a total company level, we compare the median hourly rate for women to the rate for men – irrespective of role. By this measure, as of 30 April 2025, the median, gender pay gap was an aggregate total of -16.9%, compared to -18.4% in the same period last year.

The aggregate total of -16.9% reflects a higher proportion of males in senior roles. By career level, excluding the executive team, the median gap ranges from +1.3% to -5.3%.

An indicator that our gender equity plan is driving sustainable change is the gender pay gap among new hires over the past two years, which now sits at 0%. This reflects improved equity in starting salaries and reinforces the impact of our targetting actions.

In addition this year we introduced a competency assessment within our career framework that enables us to identify and address any inequity at a more granular level and ensure consistency across comparable roles.

We have revised gender pay gap measures in place to ensure accountability, gender data and pay equity insights are reported regularly to senior leaders.

For more information on our D,E&I initiatives, refer to the 'Thriving People' section of the FY25 Sustainability Report at: **company.chorus.co.nz/sustainability**.

Remuneration and performance continued

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Employee remuneration range during the year ended 30 June 2025

The table to the right shows the number of employees and former employees who received remuneration and other benefits in their capacity as employees, the value of which was exceeded $100,000 during the year ended 30 June 2025, in brackets of $10,000, as requred by the Companies Act 1993.

This includes STI and LTI paid during FY25, as well as other benefits such as insurance and a broadband concession. The table excludes any benefits that do not have an attributable value and contributions employees may receive towards:

- the Marram Trust – a community healthcare and holiday accommodation provider
- the Government Superannuation Fund – a legacy benefit provided to a small number of employees
- KiwiSaver accounts - 3% of gross earnings

The remuneration paid to, and other benefits received by, Mark Aue in his capacity as CEO are detailed on page 86.

Chorus does not have any permanent employee earning less than the September 2025 Living Wage of $28.95 per hour.

Actual Payment	Count
1,920,000 - 1,930,000	1
1,850,000 - 1,860,000	1
860,000 - 870,000	1
760,000 - 770,000	1
580,000 - 590,000	1
540,000 - 550,000	1
530,000 - 540,000	1
510,000 - 520,000	1
500,000 - 510,000	1
480,000 - 490,000	2
470,000 - 480,000	1
460,000 - 470,000	2
430,000 - 440,000	1
420,000 - 430,000	2
400,000 - 410,000	1
390,000 - 400,000	2
380,000 - 390,000	1
370,000 - 380,000	1
360,000 - 370,000	1
350,000 - 360,000	1
340,000 - 350,000	2
330,000 - 340,000	1
320,000 - 330,000	4

Actual Payment	Count
310,000 - 320,000	6
300,000 - 310,000	3
290,000 - 300,000	5
280,000 - 290,000	11
270,000 - 280,000	7
260,000 - 270,000	10
250,000 - 260,000	17
240,000 - 250,000	7
230,000 - 240,000	21
220,000 - 230,000	26
210,000 - 220,000	16
200,000 - 210,000	18
190,000 - 200,000	21
180,000 - 190,000	23
170,000 - 180,000	29
160,000 - 170,000	37
150,000 - 160,000	45
140,000 - 150,000	62
130,000 - 140,000	55
120,000 - 130,000	68
110,000 - 120,000	49
100,000 - 110,000	43
Total	**610**

Remuneration and performance continued

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Director remuneration

(NZX Code Recommendation 5.1)

Fee structure

Total remuneration available to directors (in their capacity as such) in the year ended 30 June 2025 was fixed at our 2024 annual shareholders' meeting at $1,365,000.

The Regulatory Sub-Committee was disestablished in FY24.

Annual fee structure	Year ended 30 June 2025 $	Year ended 30 June 2024 $
Board fees:		
Board chair	234,833	234,833
Non-executive director	119,700	119,700
Board committee fees:		
Audit and Risk Management Committee		
Chair	34,230	34,230
Member	17,115	17,115
People, Performance and Culture Committee		
Chair	24,045	24,045
Member	12,338	12,338

Notes:

1 Our Board chair receives Board chair fees only. Other directors receive committee fees in addition to their Board fees.
2 Directors do not participate in a bonus or profit-sharing plan, do not receive compensation in share options, and do not have superannuation or any other scheme entitlements or retirement benefits.
3 Directors may be paid an additional daily rate of $2,400 for additional work as determined and approved by our chair and where the payment is within the total fee pool available. There were no such fees paid in the year to 30 June 2025.

Fees paid to Directors (in their capacity as such) in the year ended 30 June 2025

Director	Total fees $	Board fees	ARMC	PPCC
Mark Cross	234,833	234,833	–	–
Sue Bailey	140,818	119,700	–	21,118
Neal Barclay	116,105	101,581	14,524	
Miriam Dean	132,038	119,700	–	12,338
Will Irving	136,815	119,700	17,115	–
Murray Jordan	35,936	29,925	–	6,011
Kate Jorgensen	153,930	119,700	34,230	–
Jack Matthews	133,232	119,700	4,279	9,253
	1,083,707	**964,839**	**70,148**	**48,720**

Notes:

1 Amounts are gross and exclude GST (where applicable).
2 Mark Cross was appointed as chair, effective 26 October 2022. As a result, he received Board Chair fees only from that date.
3 Sue Bailey replaced Murray Jordan as Chair of the PPCC from Mr. Jordan's retirement on 30 September 2024.
4 Neal Barclay was appointed to our Board and the ARMC on 26 August 2024.
5 Murray Jordan retired from our Board, effective 30 September 2024.
6 Jack Matthews transferred from the ARMC to the PPCC effective 30 September 2024.
7 Directors did not receive any fees or other benefits for additional work during the year ended 30 June 2025.
8 Directors are entitled to be reimbursed for travel and incidental expenses incurred in performance of their duties in addition to the above fees.
9 The total fee pool available to directors is $1,365,000.

Fee structure from 1 July 2025 - 30 June 2026

Our PPCC reviews non-executive director remuneration annually based on criteria developed by that committee including internal benchmarking analysis. At the date of this Annual Report, our Board is not considering any change to director remuneration for the year to 30 June 2026.

Risk management
(NZX Code Recommendations 6.1 & 6.2)

Like all businesses, we are exposed to a range of risks. Our risk management activities aim to ensure we identify, prioritise and manage key risks so we can execute our strategies and achieve our goals.

Risk management
(NZX Code Recommendation 6.1)

No business can thrive without taking on risk. Effective risk management is about informed risk taking and appropriate and active management of risks.

We seek to understand the risks, opportunities and threats to Chorus' current and future business environment, and to actively seek and robustly evaluate opportunities and initiatives which help achieve our business strategies. We strive to understand, meet and appropriately balance stakeholders' expectations to deliver value to shareholders and a sustainable environment for Chorus in the long term.

Our Board

Our Board is ultimately responsible for risk management governance:

- Annually setting the risk appetite and tolerance statements, and reviewing principal risks;
- Participating in discussions concerning elements of risk including emerging and unforeseen risks;
- Approving and regularly reviewing our Managing Risk Policy and supporting framework;
- Promoting a culture of managing risk; and
- Through our ARMC, providing risk oversight and monitoring.

Risk appetite

Our risk appetite sets our tolerable levels of risk. It forms a dynamic link between strategy, target setting and risk management and sets boundaries for day-to-day decision making and reporting.

Risk management processes

Our Managing Risk Policy sets out how we manage our risks, including by:

- Having a single risk management framework;
- Providing the CEO and executive team with discretion to manage risk within the guidance provided in our framework;
- Balancing the level of control implemented to mitigate identified risks with our commitment to comply with legal, regulatory and external governance requirements and Chorus' value and growth aspirations; and
- Meeting good practice standards for risk management processes and related governance.

Principal risks

Principal risks are owned by our Board but managed by relevant executives. This promotes integration into operations, prioritisation and a culture of proactive risk management. Notwithstanding individual ownership, our CEO and executive hold collective responsibility for considering how risk and events interrelate and for managing our overall risk profile.

Principal risks are reported to our ARMC quarterly and, if necessary, also by exception. Principal risk owners support regular reporting to the ARMC by providing updates on the risks they own. Since June 2025, the Assistant General Counsel for Regulation, Risk & Compliance has been responsible for enterprise-wide risk assessment and management, including the incorporation of risks into Chorus' risk register and reporting to the CEO, Executive and ARMC. Our ARMC reports to our Board.

Principal risks are assessed collectively with the executive team before being reported to the ARMC. This allows for constructive challenge and debate. Underlying risk assessment and monitoring practices are undertaken by each principal risk owner with assistance from our risk team.

Our Board also receives management and other internal and external reporting over risk positions and our risk management operation (including from internal audit plans approved by the ARMC) through our overall governance framework.

Principal risks are our key risks to the achievement of our strategy. These are assessed on a risk profile identifying likelihood of occurrence and potential severity of impact. Current principal risk categories are identified via a comprehensive enterprise risk management framework encompassing financial and non-financial risks. They include anticipating and responding to:

- Health, safety and wellbeing risks: Working to keep safe the people we owe duties to.
- Commercial and financial sustainability risks: Maintaining appropriate competitive positioning, capital management and credit settings.
- Core services risks: Core service availability and network resilience.
- People and skills risks: Ensuring Chorus attains and retains employees with the capabilities to achieve its strategic objectives.
- Legal, regulatory and contractual risks: Working within the regulatory and legal environment.
- Stakeholder and customer confidence / reputation risks: Attaining and retaining a positive reputation with key stakeholders and customers.
- Innovation risks: Identify and pursue innovation and opportunities that will enhance Chorus.

Non-financial disclosure

Risk management continued

In addition to Principal Risks, the Chorus Board or ARMC regularly receive updates on, and discuss with the Executive:

- Unforeseen risks which are 'black swan' events which have not been otherwise identified through normal risk processes;
- Emerging risks which are risks that are known to some degree but are not likely to materialise or have an impact in the near term;
- Business unit risks which are risks to the achievement of functional area strategies. The risks are managed at the business unit level and reported to the ARMC if a material risk is out of risk tolerance level.

Chorus also has separate risk frameworks for specific areas within the business, such as health & safety and climate-related risks and opportunities.

Our climate-related risks and opportunities (as well as Chorus' other climate-related disclosures) are available in our Climate Statements available at **company.chorus.co.nz/sustainability.**

(NZX Code Recommendation 6.2)

Reporting on our management of health and safety risks is included in our Sustainability Report at **company.chorus.co.nz/sustainability.**

Auditors

(NZX Code Recommendations 7.1–7.3)

External auditor

(NZX Code Recommendation 7.1)

Our Board and ARMC monitor the ongoing independence and quality of our external auditor (KPMG). Our ARMC also meets with our external auditor without management present at least once per year. Our ARMC charter and External Auditor Independence Policy amongst other things:

- Prohibit the provision of certain non-audit services by our external auditor;
- Require ARMC approval of all audit and permitted non-audit services;
- Require our client services partner and lead/engagement partner to be rotated every five years (with a five year cooling off period) and other audit partners to be rotated every seven years (with a two year cooling off period);
- Require our ARMC to review our external auditor's fees half yearly (including the ratio of fees for audit vs. non-audit services); and
- Impose restrictions on the employment of former external audit personnel.

KPMG provided a limited assurance review of our Scope 1, 2 and 3 emissions inventory for the FY25 period for the purposes of our FY25 Climate Statements. They also undertook a limited assurance review of our Scope 1 and 2 base year emissions calculations (for FY20). In addition, KPMG has provided other services in FY25 in relation to risk-related workshop facilitation.

KPMG did not provide any other non-audit assurance services in the year to 30 June 2025. Any additional non-audit services would be provided in accordance with our ARMC charter and External Auditor Independence Policy. They should not affect KPMG's independence, including because:

- They are approved only where we are satisfied the services would not compromise KPMG's independence; and
- They do not involve KPMG acting in a managerial or decision-making capacity.

KPMG confirm their independence via independence declarations every six months.

(NZX Code Recommendation 7.2)

Our external auditors attend our ASM each year.

Internal audit

(NZX Code Recommendation 7.3)

We operate a co-sourced internal audit model with internal audit function supported by external advisors PricewaterhouseCoopers to provide additional resource and specialist expertise as required. From June 2025, the internal audit team has been moved into the Chief Operating Officer's function as part of Chorus' organisational restructure. The responsibilities of our internal audit function include:

- Assisting our ARMC and Board in their assessment of internal controls and risk management;
- Developing an internal audit plan for review and approval by the ARMC each year;
- Executing the plan and reporting progress against it, significant changes, results and issues identified; and
- Escalating issues as appropriate (including to our ARMC and/or Board chairs).

Our executive team and ARMC monitor key outstanding internal audit issues and recommendations as part of regular reporting and review, including the timeliness of resolution.

Our ARMC has direct and unrestricted access to our internal audit function. The ARMC or the internal audit function can request a meeting without management present.

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Shareholder rights and relations

(NZX Code Recommendations 8.1–8.3)

We are committed to fostering constructive and open relationships with shareholders:

- Communicating effectively with them;
- Giving ready access to balanced and understandable information;
- Making it easy for shareholders to participate in general meetings; and
- Maintaining an up to date website providing information about our business.

Our investor relations programme is designed to further facilitate two-way communication with shareholders, provide them and other market participants with an understanding of our business, governance and performance and an opportunity to express their views. As part of this programme we enable investors and other interested parties to ask questions and obtain information. We meet with investors and analysts and undertake formal investor presentations. Our annual and half year results presentations are made available to all investors via webcast.

Our website

(NZX Code Recommendation 8.1)

Our key financial, operational and governance information is available at **company.chorus.co.nz/investors.**

Annual shareholder's meeting

(NZX Code Recommendations 8.2 & 8.3)

Since 2020 we have encouraged shareholder participation in the annual shareholders meeting by providing a webcast to enable shareholders to watch proceedings online, as well as vote and ask questions.

We enable shareholders to vote by proxy ahead of meetings without having to physically attend or participate in those meetings and adopt the one share one vote principle, conducting voting at shareholder meetings by poll.

We consider that shareholders should be entitled to vote on decisions which would change the essential nature of our business.

Shareholders are also able to ask questions of, and express their views in respect of, our Board, management and auditors (including via appointed proxies) at and before annual meetings.

We encourage shareholders to communicate with us and our share registrar electronically, including by providing email communication channels and online contact details and instructions on our website.

Additional disclosures

Group structure

As at 30 June 2025, Chorus Limited has one wholly owned subsidiary: Chorus New Zealand Limited (CNZL).



Chorus Limited is the entity listed on the NZX and ASX. It is also the borrowing entity under the group's main financing arrangements and the entity which has partnered with the Crown for the UFB build.

CNZL undertakes (and is the contracting entity for) Chorus' operating activities and is the guarantor of much of Chorus Limited's borrowing. CNZL also employs all Chorus people. CNZL has its own constitution but its Board is the same as the Chorus Limited Board.

Disclosures in respect of CNZL are set out in the "Subsidiaries" section on page 99.

Indemnities and insurance

Chorus indemnifies directors under our constitution for liabilities and costs they may incur for their acts or omissions as directors (including costs and expenses of defending actions for actual or alleged liability) to the maximum extent permitted by law. We have also entered into deeds of indemnity with each director under which:

- Chorus indemnifies the director for liabilities incurred in their capacity as a director and as officers of other Chorus companies.
- Directors are permitted to access company records while directors and after they cease to hold office (subject to certain conditions).

Deeds of indemnity have also been entered into on similar terms with certain senior employees for liabilities and costs they may incur for their acts or omissions as employees, directors of subsidiaries or as directors of non-Chorus companies in which Chorus holds interests.

We have a directors' and officers' liability insurance policy in place covering directors and senior employees for liability arising from their acts or omissions in their capacity as directors or employees on commercial terms. The policy does not cover dishonest, fraudulent, malicious or wilful acts or omissions.

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Additional disclosures continued

Director changes

Neal Barclay was appointed by our Board on 26 August 2024. He then stood for election at the Annual Shareholders Meeting on 24 October 2024 and was elected by shareholders. Murray Jordan retired as a director, effective as at 30 September 2024.

Director restrictions

No person who is an 'associated person' of a telecommunications services provider in New Zealand may be appointed or hold office as a director. NZX has granted a waiver to allow this restriction to be included in our constitution.

Securities and security holders

Ordinary shares

Chorus Limited's shares are quoted on the NZX and on the ASX and trade under the 'CNU' ticker. There were 433,887,294 ordinary shares on issue at 30 June 2025. Each share confers on its holder the right to attend and vote at a shareholder meeting (including the right to cast one vote on a poll on any resolution).

Constitutional ownership restrictions

As part of the establishment of Chorus we inherited an obligation to obtain Crown approval prior to any person:

- Having a relevant interest in 10% or more of our shares; or
- Other than a New Zealand national, having a relevant interest in more than 49.9% of our shares.

On each request the Crown has provided approval, currently:

- L1 Capital Pty Ltd can hold a relevant interest in up to 15% of our shares.
- AMP Capital Holdings Limited can hold a relevant interest in up to 15% of our shares, and
- UniSuper Limited can hold a relevant interest in up to 20% of our shares.

If our Board or the Crown determines there are reasonable grounds for believing a person has a relevant interest in our shares in excess of the ownership restrictions, our Board may, after following certain procedures, prohibit the exercise of voting rights (in which case the voting rights vest in our chair) and may force the sale of shares. Our Board may also decline to register a transfer of shares if it reasonably believes the transfer would breach the ownership restrictions.

NZX has granted waivers allowing our constitution to include the power of forfeiture, the restrictions on transferability of shares and our Board's power to prohibit the exercise of voting rights relating to these ownership restrictions. ASX has also granted a waiver in respect of the refusal to register a transfer of shares which is or may be in breach of the ownership restrictions.

Shareholder distribution as at 30 June 2025

Holding	Number of holders	Total number of shares held	% of shares issued
1 - 1,000	9,935	4,179,121	0.96
1,001 - 5,000	5,840	14,564,953	3.37
5,001 - 10,000	1,557	11,156,219	2.57
10,001 - 100,000	1,047	23,706,748	5.46
100,001 Over	80	380,280,253	87.64
Total	19,285	433,887,294	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $1,000.00 parcel at $8.4500 per unit	119	558	26,970

Substantial holders

As at 30 June 2025, we have received substantial product holder notices from shareholders as follows:

	Notices received as at 30 June 2025	
	Number of ordinary shares held	% of shares on issue
UniSuper Limited	57,893,644	13.34%
L1 Capital Pty Ltd	50,076,801	11.54%

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Additional disclosures continued

Twenty largest shareholders as at 30 June 2025

Rank	Holder name	Holding	%
1	Citicorp Nominees Pty Limited	51,845,752	11.95
2	JP Morgan Nominees Australia Limited	49,424,212	11.39
3	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	49,404,267	11.39
4	HSBC Custody Nominees (Australia) Limited	45,191,444	10.42
5	BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	21,357,735	4.92
6	BNP Paribas Noms Pty Ltd	17,696,317	4.08
7	Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	13,180,141	3.04
8	HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	10,896,588	2.51
9	Forsyth Barr Custodians Limited <1-Custody>	10,285,168	2.37
10	Custodial Services Limited <A/C 4>	9,169,631	2.11
11	New Zealand Depository Nominee Limited <A/C 1 Cash Account>	8,774,491	2.02
12	Accident Compensation Corporation – NZCSD <ACCI40>	8,716,376	2.01
13	Generate Kiwisaver Public Trust Nominees Limited <NZCSD> <NZPT44>	7,936,413	1.83
14	T.E.A Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	7,917,112	1.82
15	JBWere (NZ) Nominees Limited <NZ Resident A/C>	7,053,501	1.63
16	ANZ Wholesale Australasian Share Fund – NZCSD <PNAS90>	6,593,563	1.52
17	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD <SUPR40>	5,396,136	1.24
18	Simplicity Nominees Limited – NZCSD	5,053,958	1.16
19	FNZ Custodians Limited	3,887,473	0.90
20	PT (Booster Investments) Nominees Limited	3,615,299	0.83
Total Top 20 Holders Of Ordinary Shares		**343,395,577**	**79.14**
Total Remaining Holders Balance		**90,491,717**	**20.86**

Twenty largest bondholders (December 2027) as at 30 June 2025

Rank	Holder name	Holding	%
1	Custodial Services Limited <A/C 4>	57,114,000	28.56
2	FNZ Custodians Limited	21,790,000	10.90
3	T.E.A Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	17,681,000	8.84
4	BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	14,855,000	7.43
5	Forsyth Barr Custodians Limited <1-Custody>	11,995,000	6.00
6	Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	7,281,000	3.64
7	JBWere (NZ) Nominees Limited <NZ Resident A/C>	6,985,000	3.49
8	HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	6,600,000	3.30
9	FNZ Custodians Limited <DTA Non Resident A/C>	5,382,000	2.69
10	JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD <CHAM24>	4,639,000	2.32
11	Pin Twenty Limited <Kintyre A/C>	4,000,000	2.00
12	JBWere (NZ) Nominees Limited <NR USA A/C>	3,460,000	1.73
13	HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <HKBN45>	2,500,000	1.25
14	NZX WT Nominees Limited <Cash Account>	2,328,000	1.16
15	Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	2,218,000	1.11
16	Westpac Banking Corporate NZ Financial Markets Group – NZCSD <WPAC40>	1,915,000	0.96
17	Forsyth Barr Custodians Limited <Account 1 E>	1,878,000	0.94
18	Investment Custodial Services Limited <A/C C>	1,610,000	0.81
19	Adminis Custodial Nominees Limited	1,580,000	0.79
20	ANZ Wholesale NZ Fixed Interest Fund – NZCSD	1,499,000	0.75
Total Top 20 holders of 1.98% fixed rate bonds 02/12/2027		**177,310,000**	**88.66**
Total Remaining Holders Balance		**22,690,000**	**11.35**

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Additional disclosures continued

Twenty largest bondholders (December 2028) as at 30 June 2025

Rank	Holder name	Holding	%
1	Custodial Services Limited <A/C 4>	109,631,000	21.93
2	Forsyth Barr Custodians Limited <1-Custody>	85,595,000	17.12
3	JBWere (NZ) Nominees Limited <NZ Resident A/C>	42,628,000	8.53
4	BNP Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	40,902,000	8.18
5	HSBC Nominees (New Zealand) Limited O/A Euroclear Bank – NZCSD <HKBN95>	30,279,000	6.06
6	FNZ Custodians Limited	29,143,000	5.83
7	T.E.A Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	24,751,000	4.95
8	Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	21,086,000	4.22
9	Generate Kiwisaver Public Trust Nominees Limited <NZCSD> <NZPT44>	9,187,000	1.84
10	Forsyth Barr Custodians Limited <Account 1 E>	8,907,000	1.78
11	NZX WT Nominees Limited <Cash Account>	8,742,000	1.75
12	JBWere (NZ) Nominees Limited <NR USA A/C>	4,655,000	0.93
13	HSBC Nominees (New Zealand) Limited A/C State Street – NZCSD <HKBN45>	4,250,000	0.85
14	Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	3,510,000	0.70
15	RGTKMT Investments Limited	3,000,000	0.60
16	FNZ Custodians Limited <DTA Non Resident A/C>	2,879,000	0.58
17	Investment Custodial Services Limited <A/C C>	2,256,000	0.45
18	Forsyth Barr Custodians Limited <Account 1 NRL>	1,907,000	0.38
19	Custodial Services Limited <A/C 12>	1,870,000	0.37
20	Commonwealth Bank Of Australia – NZCSD <CBAANZ>	1,667,000	0.33
Total Top 20 Holders Of 6.38% Fixed Rate Bonds 06/12/2028		**436,845,000**	**87.37**
Total Remaining Holders Balance		**63,155,000**	**12.63**

Twenty largest bondholders (December 2030) as at 30 June 2025

Rank	Holder name	Holding	%
1	Custodial Services Limited <A/C 4>	57,878,000	28.94
2	FNZ Custodians Limited	29,374,000	14.69
3	Bnp Paribas Nominees (NZ) Limited – NZCSD <BPSS40>	17,492,000	8.75
4	T.E.A Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	16,962,000	8.48
5	Forsyth Barr Custodians Limited <1-Custody>	9,918,000	4.96
6	Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	9,204,000	4.60
7	HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	6,000,000	3.00
8	HSBC Nominees (New Zealand) Limited O/A Euroclear Bank – NZCSD <HKBN95>	5,200,000	2.60
9	JBWere (NZ) Nominees Limited <NZ Resident A/C>	4,489,000	2.24
10	NZX WT Nominees Limited <Cash Account>	4,046,000	2.02
11	FNZ Custodians Limited <DTA Non Resident A/C>	3,357,000	1.68
12	Pin Twenty Limited <Kintyre A/C>	2,739,000	1.37
13	JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct – NZCSD <CHAM24>	2,500,000	1.25
14	Custodial Services Limited <A/C 12>	2,202,000	1.10
15	Investment Custodial Services Limited <A/C C>	2,110,000	1.06
16	Forsyth Barr Custodians Limited <Account 1 E>	2,093,000	1.05
17	ANZ Wholesale NZ Fixed Interest Fund – NZCSD	1,735,000	0.87
18	Queen Street Nominees ACF Pie Funds – NZCSD	1,500,000	0.75
19	Woolf Fisher Trust Incorporated	1,500,000	0.75
20	Forsyth Barr Custodians Limited <A/C 1 NRLAIL>	1,442,000	0.72
Total Top 20 Holders Of 2.51% Fixed Rate Bonds 02/12/2030		**181,741,000**	**90.87**
Total Remaining Holders Balance		**18,259,000**	**9.13**

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Additional disclosures continued

Twenty largest noteholders as at 30 June 2025

Rank	Holder name	Holding	%
1	Forsyth Barr Custodians Limited <1-Custody>	69,388,000	40.82
2	JBWere (NZ) Nominees Limited <NZ Resident A/C>	15,049,000	8.85
3	Custodial Services Limited <A/C 4>	14,620,000	8.60
4	T.E.A Custodians Limited Client Property Trust Account – NZCSD <TEAC40>	14,500,000	8.53
5	Forsyth Barr Custodians Limited <Account 1 E>	8,740,000	5.14
6	HSBC Nominees (New Zealand) Limited – NZCSD <HKBN90>	7,200,000	4.24
7	FNZ Custodians Limited	6,561,000	3.86
8	Citibank Nominees (New Zealand) Limited – NZCSD <CNOM90>	5,500,000	3.24
9	Generate Kiwisaver Public Trust Nominees Limited <NZCSD> <NZPT44>	3,979,000	2.34
10	Queen Street Nominees ACF Pie Funds – NZCSD	2,850,000	1.68
11	CML Shares Limited	2,150,000	1.26
12	Investment Custodial Services Limited <A/C C>	860,000	0.51
13	Sterling Holdings Limited	615,000	0.36
14	Adminis Custodial Nominees Limited	596,000	0.35
15	JML Capital Limited	500,000	0.29
16	Woolf Fisher Trust Incorporated	485,000	0.29
17	Fletcher Building Educational Fund Limited	400,000	0.24
18	Forsyth Barr Custodians Limited <Account 2 E>	325,000	0.19
19	JBWere (NZ) Nominees Limited <57482 A/C>	325,000	0.19
20	Mint Nominees Limited – NZCSD <NZP440>	300,000	0.18
Total Top 20 Holders Of 5.90% Capital Notes 06/06/2056		154,943,000	91.14
Total Remaining Holders Balance		15,057,000	8.86

Debt listings

Chorus Limited has the following debt securities on issue:

- $200 million bonds listed on the NZX debt market (the NZDX) maturing December 2027;
- $500 million bonds listed on the NZX debt market maturing December 2028;
- $200 million bonds listed on the NZX debt market maturing December 2030;
- $170 million notes listed on the NZX debt market maturing June 2056;
- EUR 300 million EMTNs listed on the ASX, maturing December 2026;
- EUR 500 million EMTNs listed on the ASX, maturing September 2029.

American depositary receipts

American Depositary Shares, each representing five shares and evidenced by American Depositary Receipts, are not listed but are traded on the over-the-counter market in the United States under the ticker 'CHRYY' with Bank of New York Mellon as depositary bank. As at 30 June 2025 Chorus had 788,375 ADRs on issue.

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Additional disclosures continued

NZX bondholder distribution as at 30 June 2025

December 2027 maturity

Holding	Number of holders	Total number of bonds held	% of bonds issued
1 - 5,000	9	45,000	0.02
5,001 - 10,000	34	311,000	0.16
10,001 - 100,000	102	3,708,000	1.85
100,001 Over	55	195,936,000	97.97
Total	200	200,000,000	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $1,000.00 parcel at $0.9500 per unit	1,053	0	0

December 2028 maturity

Holding	Number of holders	Total number of bonds held	% of bonds issued
1 - 5,000	53	265,000	0.05
5,001 - 10,000	160	1,561,000	0.32
10,001 - 100,000	690	25,655,000	5.13
100,001 Over	104	472,519,000	94.50
Total	1,007	500,000,000	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $1,000.00 parcel at $1.0700 per unit	935	0	0

December 2030 maturity

Holding	Number of holders	Total number of bonds held	% of bonds issued
1 - 5,000	9	41,000	0.02
5,001 - 10,000	35	340,000	0.17
10,001 - 100,000	161	5,725,000	2.86
100,001 Over	46	193,894,000	96.95
Total	251	200,000,000	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $1,000.00 parcel at $0.8900 per unit	1,124	1	1,000

June 2056 maturity

Holding	Number of holders	Total number of notes held	% of bonds issued
1 - 5,000	72	360,000	0.21
5,001 - 10,000	130	1,074,000	0.63
10,001 - 100,000	295	9,724,000	5.72
100,001 Over	44	158,842,000	93.44
Total	541	170,000,000	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 1,000.00 parcel at $ 1.0400 per unit	962	0	0

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Additional disclosures continued

Unquoted securities

Crown Securities

The terms of issue for the Crown Infrastructure Partners (CIP, now renamed National Infrastructure Funding and Financing Limited (NIFF)) CIP1 and CIP2 securities are set out in the subscription agreements between Chorus Limited and CIP. These terms are summarised in note 6 of our consolidated financial statements and on our website at **company.chorus.co.nz/reports**.

Security	Number issued in the year ended 30 June 2025	Total on issue at 30 June 2025	Holder	Percentage held
CIP1 equity securities	–	376,711,053	CIP/NIFF	100%
CIP1 debt securities	–	376,711,053	CIP/NIFF	100%
CIP1 equity warrants	1,057,801	9,903,147	CIP/NIFF	100%
CIP2 equity securities	–	306,423,177	CIP/NIFF	100%
CIP2 debt securities	–	104,852,093	CIP/NIFF	100%

Australian Medium Term Notes (AMTN)

Chorus has AUD $300 million wholesale AMTNs, maturing 18 September 2030.

Other disclosures

New NZX listing rules

NZX updated its listing rules from 31 January 2025.

NZX waivers

On 28 March 2019 Chorus applied for the continuation of existing and still required waivers and rulings. On 3 April 2020 a waiver from NZX listing rule 2.3.2, 4.1.1, 4.1.2, 4.2.1, 4.14, 6.6.1, 8.1.5 and a ruling from NZX on listing rule 4.9.1 were granted.

A summary of all waivers relied on by Chorus in the 12 months ending 30 June 2025 is available on our website at **company.chorus.co.nz/investors/services/your-shareholding**

Non-standard designation

NZX has attached a 'non-standard' designation to Chorus Limited because of the ownership restrictions in our constitution (described above).

ASX disclosures

Chorus Limited and its subsidiaries are incorporated in New Zealand. Chorus has a 'foreign exempt' listing on ASX, meaning our primary obligation is to comply with the NZX listing rules (as our home exchange).

Chorus Limited is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial shareholdings and takeovers).

Our constitution contains limitations on the acquisition of securities, as described above.

For the purposes of ASX listing rule 1.15.3 Chorus Limited continues to comply with the NZX listing rules.

Registration as a foreign company

Chorus Limited has registered with the Australian Securities and Investments Commission as a foreign company and has been issued an Australian Registered Body Number (ARBN) of 152 485 848.

Net tangible assets per security

As at 30 June 2025, consolidated net tangible assets per share was $0.27 (30 June 2024: $1.23).

Net tangible assets per share is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS.

Revenue from ordinary activities and net profit

In the year ended 30 June 2025:

- Revenue from ordinary activities increased 0.4% to $1,014 million (30 June 2024: $1,010 million); and
- Profit from ordinary activities after tax, and net profit, attributable to shareholders increased 144% to a gain of $4 million (30 June 2024: -$9 million).

Subsidiaries

Chorus New Zealand Limited (CNZL)

Directors as at 30 June 2025: Mark Cross, Miriam Dean, Jack Matthews, Sue Bailey, Kate Jorgensen, Will Irving, Neal Barclay.

Current CNZL directors are also Chorus Limited directors and do not receive any remuneration in their capacity as CNZL directors.

Other subsidiaries

Chorus Limited has no other subsidiaries.

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Glossary

AMTN	Australian Medium Term Notes.
Backhaul	The portion of the network that links local exchanges to other exchanges or retail service provider networks.
Baseband	A technology neutral voice input service that can be bundled with a broadband product or provided on a standalone basis.
Board	Chorus Limited's Board of Directors.
Chorus	Chorus Limited and it's subsidiary Chorus New Zealand Limited.
CIP	Crown Infrastructure Partners (now renamed National Infrastructure Funding and Financing Limited), the Government organisation that manages New Zealand's rollout of Ultra-Fast Broadband infrastructure.
Commission	Commerce Commission – the independent Crown entity whose responsibilities include overseeing the regulation of the telecommunications sector.
Constitution	Chorus Limited's Constitution.
Direct fibre access	Also known as 'dark' fibre, a fibre service that provides a point to point fibre connection and can be used to deliver backhaul connections to mobile sites.
Director	A director of Chorus Limited.
EBITDA	Earnings before interest, income tax, depreciation and amortisation.
EMTN	European Medium Term Notes.
FY	Financial year – twelve months ended 30 June. e.g. FY25 is from 1 July 2024 to 30 June 2025.
Gbps	Gigabits per second. A measure of the average rate of data transfer.
Gigabit	The equivalent of 1 billion bits. Gigabit Ethernet provides data transfer rates of about 1 gigabit per second.
GPON	Gigabit Passive Optical Network.
IT	Information Technology.
Layer 2	The data link layer, including broadband electronics, within the Open Systems Interconnection model. Layer 1 is the physical cables and co-location space.
Mbps	Megabits per second – a measure of the average rate of data transfer.
NIFF	National Infrastructure Funding and Financing Limited (previously named Crown Infrastructure Partners).
NZ IFRS	International Financial Reporting Standards – the rules that the financial statements have to be prepared by.
P2P	Where two parties or devices are connected point-to-point via fibre.
Petabyte	One million gigabytes (GB), which is a measure of data volume.
RAB	Regulatory Asset Base refers to the value of total investment by a regulated utility in the assets which will generate revenues over time.
RBI	Rural Broadband Initiative – refers to the Government programme to improve and enhance broadband coverage in rural areas between 2011 and 2016.
Share	Means an ordinary share in Chorus.
TSO	Telecommunications Services Obligation – a universal service obligation under which Chorus must maintain certain coverage and service on the copper network.
TSR	Total shareholder return.
UFB	Ultra-Fast Broadband refers to the Government programme to build a fibre to the premises network. UFB1 refers to the original phase of the rollout to 75% of New Zealanders. UFB2 and UFB2+ were subsequent phases announced in 2017.

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Disclaimer

This annual report:

- May contain forward looking statements. These statements are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond Chorus' control, and which may cause actual results to differ materially from those expressed in the statements contained in this annual report.
- Includes statements relating to past performance. These should not be regarded as reliable indicators of future performance.
- Is current at its release date. Except as required by law or the NZX and ASX listing rules, Chorus is not under any obligation to update this annual report or the information in it at any time, whether as a result of new information, future events or otherwise.
- Contains non-GAAP financial measures, including EBITDA. These measures may differ from similarly titled measures used by other companies because they are not defined by GAAP. Although Chorus considers those measures provide useful information they should not be used in substitution for, or isolation of, Chorus' audited financial statements.
- May contain information from third parties Chorus believes reliable. However, no representations or warranties are made as to the accuracy or completeness of such information.
- Should be read in the wider context of material previously published by Chorus and released through the NZX and ASX.
- Does not constitute investment advice or an offer or invitation to purchase Chorus securities.

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CHORUS

ARBN 152 485 848

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Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at March 2025

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Results for announcement to the market		
Name of issuer	Chorus Limited	
Reporting Period	12 months to 30 June 2025	
Previous Reporting Period	12 months to 30 June 2024	
Currency	New Zealand Dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$1,014,000	+0.4%
Total Revenue	$1,014,000	+0.4%
Net profit/(loss) from continuing operations	$4,000	+144%
Total net profit/(loss)	$4,000	+144%
Interim/Final Dividend		
Amount per Quoted Equity Security	$0.34500000	
Imputed amount per Quoted Equity Security	$0.00000000	
Record Date	16 September 2025	
Dividend Payment Date	7 October 2025	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security (in dollars and cents per security)	$0.27	$1.23
A brief explanation of any of the figures above necessary to enable the figures to be understood	This announcement should be read in conjunction with the attached annual report, audited financial statements for the year ended 30 June 2025 contained in that report, media release and investor presentation.	
Authority for this announcement		
Name of person authorised to make this announcement	Drew Davies Chief Operating Officer	
Contact person for this announcement	Aleida White Head of Investor Relations	
Contact phone number	+64 22 490 2591	
Contact email address	aleida.white@chorus.co.nz	
Date of release through MAP	25/08/2025	

Audited financial statements accompany this announcement.

Distribution Notice

Updated as at June 2023

Please note: all cash amounts in this form should be provided to 8 decimal places, including zeros (ie 0.01001000)

Section 1: Issuer information				
Name of issuer	Chorus Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	CNU			
ISIN (If unknown, check on NZX website)	NZCNUE0001S2			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	~~Quarterly~~	
	~~Half Year~~		~~Special~~	
	~~DRP applies~~			
Record date	16/09/2025			
Ex-Date (one business day before the Record Date)	15/09/2025			
Payment date (and allotment date for DRP)	17/10/2025			
Total monies associated with the distribution[1]	$149,691,116			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.345000000			
Gross taxable amount [3]	$0.345000000			
Total cash distribution[4]	$0.345000000			
Excluded amount (applicable to listed PIEs)	$0.00000000			
Supplementary distribution amount	$0.00000000			
Section 3: Imputation credits and Resident Withholding Tax[5]				
Is the distribution imputed	~~Fully imputed~~			
	~~Partial imputation~~			
	No imputation			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Gross taxable amount" is the gross distribution minus any excluded income.

[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

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If fully or partially imputed, please state imputation rate as % applied[6]	N/A	
Imputation tax credits per financial product	N/A	
Resident Withholding Tax per financial product	0.11385000	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	N/A	
Start date and end date for determining market price for DRP	N/A	N/A
Date strike price to be announced (if not available at this time)	N/A	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	N/A	
DRP strike price per financial product	N/A	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	N/A	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Drew Davies Chief Operating Officer	
Contact person for this announcement	Aleida White Head of Investor Relations	
Contact phone number	+64 22 490 2591	
Contact email address	aleida.white@chorus.co.nz	
Date of release through MAP	25/08/2025	

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[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

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CHORUS

SUSTAINABILITY REPORT 2025

For the 12 months ended 30 June 2025

Unleashing potential through connectivity.
Enabling better futures for Aotearoa.

A data workbook can be found at **https://company.chorus.co.nz/sustainability**

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Message from Mark Cross and Mark Aue

Sustainability remains a key focus for Chorus in line with our new corporate strategy, building on a foundation first laid in FY22 as we look to support sustainable action so our planet and people can thrive.

Our roadmap to 2030, released in FY25, outlines our objective to transition to a simplified, all-fibre network with 80% uptake, and in doing so facilitate our environmental goals and Aotearoa New Zealand's journey to a low-emissions, resilient economy. Our sustainability ambitions are a key element of our strategic purpose, 'Unleashing potential through connectivity. Enabling better futures for Aotearoa' and contribute to our success.

Chorus is focused on delivering long-term value through climate resilience, reduced carbon emissions, digital inclusion, and an ongoing commitment to our people, including through diversity, equity and inclusion.

Our progress was recognised in FY25 with an A- rating in Forsyth Barr's Carbon and ESG assessment, reflecting strong environmental and social performance.[1]

For investors, this means a future-focused, efficient business aligned with growing sustainability expectations. For the communities our network serves, it means working towards more resilient operations, reduced emissions, and more inclusive digital access. Our new corporate strategy is ambitious, measurable, and underway – enabling Chorus to drive intergenerational impact with the goal of delivering a sustainable, prosperous future for Aotearoa.



Mark Cross
Chair
Dated: 22 August 2025



Mark Aue
CEO
Dated: 22 August 2025

OUR ASPIRATION

Simplified all fibre business with 80% uptake by 2030.

Important note

As explained further at page 21, this report includes sustainability-related data, assessments, and forward-looking statements that are by their nature subject to significant uncertainty, assumptions, and limitations. Inputs may be incomplete or unreliable, and modelling methodologies are still evolving. As such, information may change and should not be relied upon as definitive.

In particular, forward looking statements, including targets, forecasts and strategic plans may not eventuate as expected for a range of reasons. Chorus cautions readers not to rely on these forward looking statements in the same way that they might rely on Chorus' other external reporting.

This report is not an offer or investment advice. For financial performance, please refer to Chorus' annual report. For further information, please read the limitations detailed throughout this report and noted in the Appendix below

This report has not been independently verified.

1 https://www.forsythbarr.co.nz/assets/public/Uploads/Research-Public/CESG-Scorecards-2024/CNU_CESG-ratings-scorecard_2024.pdf.

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About Chorus

Chorus is Aotearoa New Zealand's largest fixed line telecommunications network operator, providing wholesale telecommunications services to broadband retailers.

Our fibre network offers individuals, communities, and businesses access to high-speed, reliable, and world-class fibre broadband.

As a wholesale provider Chorus delivers services to retail service providers (RSPs). We have neither mobile networks nor large data centres within our operations.

Chorus' focus on sustainability is guided by our strategic purpose, '**Unleashing potential through connectivity. Enabling better futures for Aotearoa**' and underpinned by kaitiakitanga (environmental guardianship) and manaakitanga (acts of giving and caring for people).

For detailed information regarding Chorus' climate progress, refer to our FY25 Climate Statements at **https://company.chorus.co.nz/sustainability**.

Copies of Chorus' main governance policies can be found at **https://company.chorus.co.nz/about/governance**.

Copies of Chorus' Annual Reports and financial results presentations can be found at **https://company.chorus.co.nz/investors/financial-reports/financial-results-presentations**.

Snapshot FY25

PEOPLE

- 755 EMPLOYEES NATIONWIDE
- 1,200 TECHNICIANS
- 42% F / 58% M GENDER SPLIT FOR ALL CHORUS
- 10% MĀORI / PASIFIKA REPRESENTATION
- 8.4 / 10 ENGAGEMENT SCORE

ENVIRONMENT

- 99% TOTAL LANDFILL WASTE DIVERTED
- 5% ELECTRICITY REDUCTION[2] AGAINST FY24
- 25% SCOPE 1 & 2 EMISSIONS REDUCTION[3] AGAINST FY20 BASE YEAR

COMMUNITY

- 2,621 DIGITAL EQUITY CONNECTIONS[4]
- 2,216 HOURS VOLUNTEERED[5]
- $253K CHARITABLE DONATIONS

TECHNOLOGY

- 72.1% FIBRE UPTAKE
- 1.115M CONNECTIONS
- 8,741 PETABYTES DATA
- FIBRE EXTENDED ~4.5K PREMISES
- 41% FEWER COPPER CONNECTIONS COMPARED TO FY24

2 4.8% reduction (rounded to 5%) in electricity use in FY25 against FY24.

3 While we reduced our electricity consumption by 5% in FY25, our scope 2 emissions increased due to a 39% increase to the Ministry for the Environment purchased energy emissions factor - 2025 Emissions Factors Workbook (summary of changes) **https://environment.govt.nz/publications/measuring-emissions-guide-2025/**.

4 See 'Thriving Communities' section below – total connections include 104 new connections under our proof-of-concept product and 2,517 existing connections retained from previous initiatives.

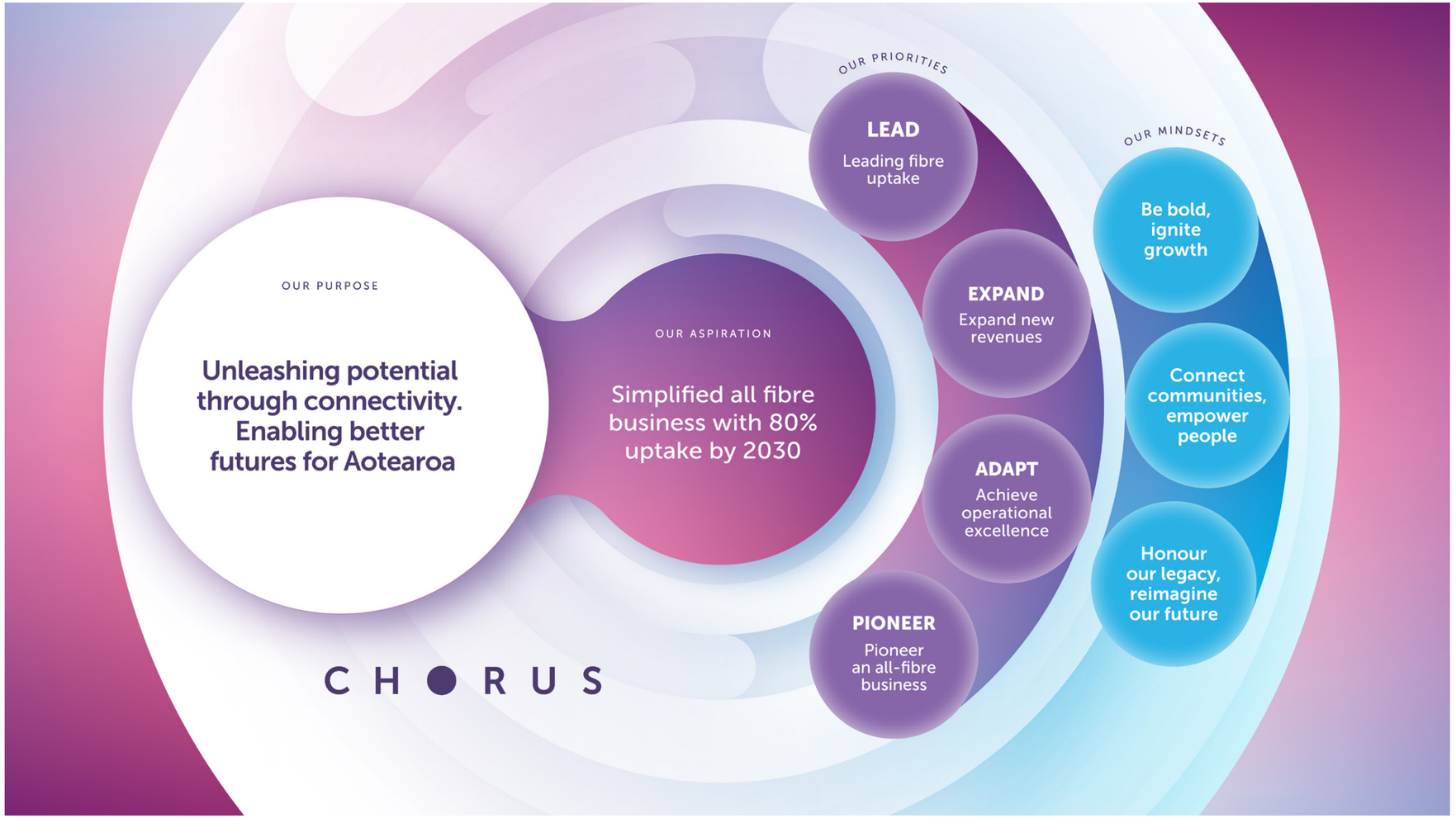
5 38% take up of Chorus staff using volunteer leave in FY25 vs 28% in FY24.

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Chorus' strategy

In FY25, Chorus released its updated corporate strategy, focusing on plans to transition to a simplified, all-fibre business by 2030.

The diagram opposite captures our renewed corporate strategy and key priority areas.



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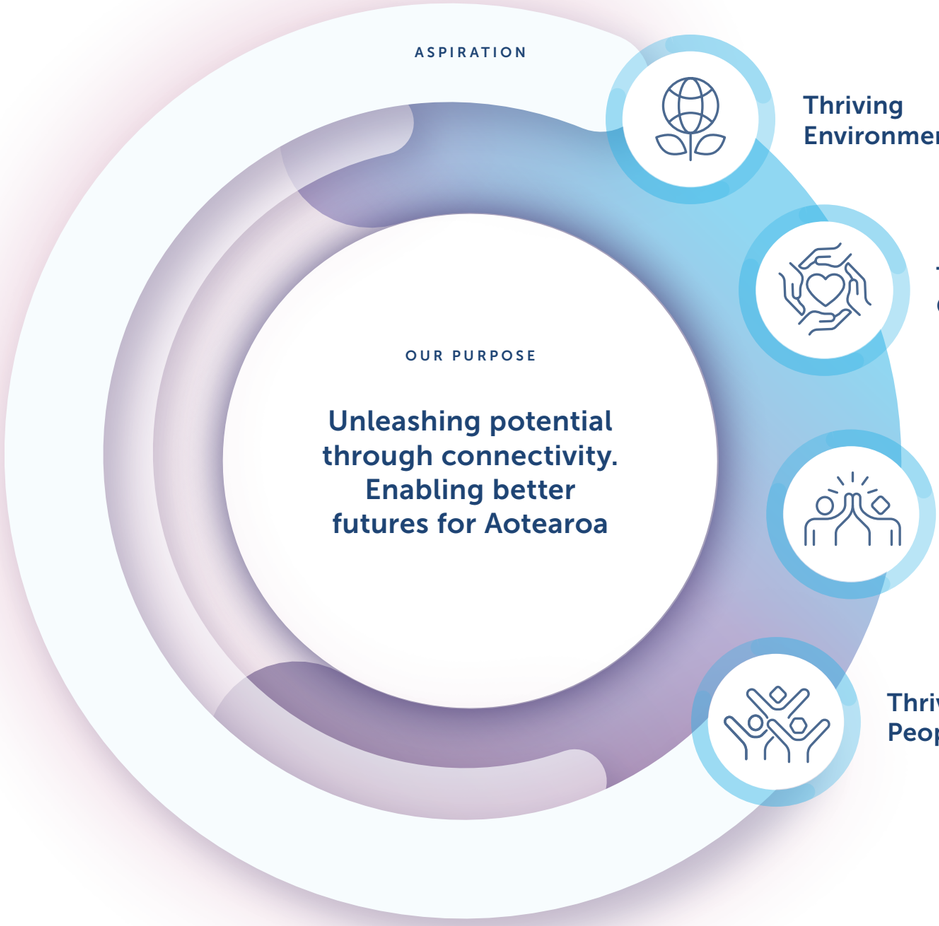
Sustainability strategy

Chorus' continued focus on sustainability is aligned to our overall corporate strategy and contributes to achieving our objectives – it is part of how we enable better futures for Aotearoa.

Chorus' aspiration of becoming a simplified all-fibre business encompasses taking sustainable action to best enable our planet and people to thrive and optimise the benefits of fibre as a 'low-emissions' technology. Chorus' sustainability strategy was also updated in FY25 and aligns to the same four ecosystems Chorus is seeking to support through our renewed corporate purpose: Environment, Communities, Customers & Partners, and People.

Sustainability processes will be considered as part of Chorus' new Enterprise Project Management Office being implemented in FY26 to help identify and embed appropriate sustainability considerations into appropriate business decision-making and project lifecycle opportunities.

Material aspects of Chorus' latest sustainability strategy are depicted in the diagram opposite, including areas we intend to work towards by 2030.



Thriving Environment

Chorus continues to decarbonise through climate targets and accelerating our journey towards being Net Zero by 2050. Climate mitigation and adaptation inform how we do business.

Thriving Communities

We partner to bridge the digital divide and strive for digital equity in Aotearoa.

Thriving Customers & Partners

We support our customers and partners in their ESG journeys and share our experience with Aotearoa and the world.

Thriving People

Our people thrive and are empowered to support community good. We help our people to live sustainable, low-emission lifestyles.

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Thriving environment

To support the public policy ambition of transitioning Aotearoa to a low-emission, climate-resilient future, Chorus is focused on action that decarbonises our ecosystem and minimises climate impact.[6]

We report our progress against material climate-related targets under Aotearoa's mandatory climate-related disclosures (CRD) regime in our FY25 Climate Statements. The following 'Thriving environment' discussion is designed to provide a snapshot of our broader environmental progress.

Please refer to our Climate Statements at:
https://company.chorus.co.nz/sustainability
for our CRD for FY25.

Verified SBTi Target

REDUCE ABSOLUTE SCOPE 1 & 2 EMISSIONS BY 62% BY FY30 AGAINST FY20 BASE YEAR



SUPPORTING INITIATIVES FY25

EMISSIONS REDUCTION PLAN (ERP)

SCOPE 1: Proactive aircon maintenance has delivered a reduction in refrigerant leaks.

SCOPE 2: Chorus has reduced electricity consumption (by 4.8%) when compared to FY24.

Emissions have increased due to the 39% increase in the MfE emissions factor.[7]

Verified SBTi Target

SCOPE 3 ENGAGEMENT GOAL: 70% OF OUR SUPPLIERS BY SPEND TO HAVE A SCIENCE-BASED TARGET BY FY29



SUPPORTING INITIATIVES FY25

Planning for contract renewals and new tenders to include SBTi target commitment.

Engagement with top suppliers underway.

Climate Target

REDUCE ELECTRICITY USE BY 25% AGAINST FY20 BASELINE BY FY30
INTERIM MILESTONE OF 15% REDUCTION AGAINST FY20 BY FY25



SUPPORTING INITIATIVES FY25

Short term goal of 15% reduction by FY25 against FY20 baseline not met chiefly due to prioritisation decisions resulting in certain copper and optimisation initiatives being postponed. The restatement of our base year also played a role.

Emissions Reduction Plan modelling and copper withdrawal planning indicates our longer-range target of 25% electricity reduction by FY30 remains on track.

Climate Target

VEHICLE FLEET REDUCTION GOAL
100% EV FLEET OR HYBRID FLEET BY END OF FY28



SUPPORTING INITIATIVES FY25

Continue to reduce our fleet whilst meating operational needs.
In FY25 we replaced five vehicles with Hybrid and EV alternatives.

Internal Aim

RECYCLE 80% OR MORE WASTE
IN OUR CORPORATE OFFICES & OPERATIONS[8]



SUPPORTING INITIATIVES FY25

Moved to new providers for e-waste and fibre duct recycling in FY25.

FY25 includes a new copper recovery programme of work.

Internal Aim

KEEP WATER USE TO A MINIMUM



SUPPORTING INITIATIVES FY25

Water usage figures above are a yearly average across all Chorus sites. Usage remains consistently low and non-material.

Water use is limited to standard clean water and effluent use with no significant environmental impact.

6 Ministry for the Environment - **https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/about-new-zealands-climate-change-programme/.**
7 Ministry for the Environment - **https://environment.govt.nz/publications/measuring-emissions-guide-2025/.**
8 Waste reduction goal is dependent on service companies and waste providers being committed to ensuring all plastic ducting is reused and recycled across our network. All Chorus office and network waste continues to be recycled as per contractual agreements and suppliers continue to innovate and take a full life cycle approach to design, enabling better end-of-life separation, supporting increased reuse and recycling.

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Solar trial progress

With over 90% of our scope 1 & 2 emissions due to our electricity use, we are prioritising renewable energy in our Emissions Reduction Plan – including generating our own and potentially selling excess into the grid.

Roof mounted solar PV was installed on six trial sites in FY25, with more planned for FY26 as part of our ongoing feasibility assessment. These trials are key to assessing the long-term viability of solar for Chorus and shaping future initiatives.



Chorus has installed solar on six exchanges in FY25 as part of a trial.

Transition planning training and programme to build asset management capability

In FY25, we continued to progress our climate related transition planning, building on existing programmes of work within the business which already had decarbonisation or climate adaptation and resilience as a focus.

In early 2025, we brought this together in our first documented Transition Plan, intended to facilitate an integrated approach moving forward. Our transition planning allows employees to understand how Chorus plans to transition to a low-emission, climate-resilient future and outlines the key programmes of work and action plans supporting this.

As part of our transition planning a Training Plan was developed with Tonkin & Taylor to help asset managers and other key Chorus personnel understand transition planning and how to integrate climate change risks and opportunities considerations into appropriate asset management plans and broader business processes.

The training included:

- Transition planning for key business units
- Greenhouse Gas Emission mitigation assessments for Asset Managers
- Adaptation to Climate Risk deep dive for Asset Managers.

Through this training, Chorus is working towards enabling our employees to make informed decisions about sustainable practices and risk mitigation and adaptation, appropriate to their role. Asset managers' capabilities are being developed to support the application of a mitigation and adaptation climate lens to their decision-making.

For more information on Chorus' current climate-related impacts, refer to our FY25 Climate Statements at: **https://company.chorus.co.nz/sustainability.**

Copper network retirement

There's been plenty of progress against FY25 in Chorus' goal to retire all copper services and shift to a simpler all-fibre network by 2030. As at the end of FY25, there were 65,000 fewer active copper lines nationwide.

Chorus' teams engaged with community organisations, local councils and individuals where required to help facilitate a smooth retirement of the copper network.

This has left about 92,000 copper lines in service as of 30 June 2025 (see table).

Chorus copper connections as at 30 June 2025

Other fibre company (LFC) zone	Copper lines (no broadband)	5,000	Copper connections are declining as Chorus retires our copper network and customers migrate to other LFC fibre networks, or alternative technologies.
	Copper broadband lines	6,000	
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	12,000	Outside Chorus and LFC fibre areas, there are now approximately 68,000 copper lines remaining. This is a 26% decrease over FY25, largely due to natural attrition as rural consumers move off copper to more modern alternatives like satellite and wireless.
	Copper broadband lines	56,000	
Chorus fibre zone	Copper lines (no broadband)	7,000	Covers all addresses outside LFC UFB rollout zone where Chorus fibre is available. Copper connections are steadily reducing.
	Copper broadband lines	6,000	

Chorus plans to fully retire the copper network in our fibre areas by mid-2026, as part of our overall transition to an all-fibre business by 2030.

Also contributing to this has been the first proactive withdrawal of services outside fibre areas with the retirement of Customer Multi-Access Radio (CMAR) and Country Set systems. These are legacy radio-based systems that rely on a range of energy sources, including diesel generators, to help deliver voice only services to more remote parts of Aotearoa.

In FY25, Chorus began recovering redundant copper cables to assess the feasibility and challenges of extraction, with findings to guide future work.

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Thriving partners & customers

Investing in our people, partners and their safety, along with ensuring assets are safe, resilient and efficient is a critical part of Chorus business.

Here's is a snapshot of how we're tracking.

Health & Safety

LOST TIME INJURY FREQUENCY RATE (LTIFR)



NOTES

INDUSTRY BENCHMARK = 4.61

Overhauling our health and safety IT system led to a 43% increase in incident and near-miss reporting, strengthening risk controls and proactive hazard identification. This data-driven approach supports sustainability by preventing workplace harm and enhancing resilience.

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)



NOTES

INDUSTRY BENCHMARK = 14.27

Chorus consistently reports below the industry benchmark on LTIFR & TRIF. In FY25, our supply chain reported four recordable injury events.

NUMBER OF SAFETY INSPECTIONS COMPLETED FY25



NOTES

Chorus Supplier Code of Practice framework requires that its people, and our suppliers, comply with all relevant local and central government legislation, including for physical and operational work completed.[10] Safety inspections were carried out by Chorus and its service companies.

FY23: 736 (Chorus); 19,412 (Serco's)

FY24: 2,860 (Chorus); 18,545 (Serco's)

FY25: 3,268 (Chorus); 9,542 (Serco's)

Network Reliability

FIBRE FAULTS* PER 100 CONNECTIONS LAYER 1[11]



FIBRE FAULTS* PER 100 CONNECTIONS LAYER 2



AVERAGE YEARLY UNPLANNED DOWNTIME (MINUTES) LAYER 1



AVERAGE YEARLY UNPLANNED DOWNTIME (MINUTES) LAYER 2



NOTES

Network monitored 24/7 and disaster response plans in place to help maintain or restore services in an emergency.

Fibre performance measures provided are reported to the Commerce Commission, as part of Chorus' information disclosures.[11] They contain network availability in 23 geographic regions based on downtime in the Layer 1 (physical) and Layer 2 (electronic)[12] parts of the network. Fault restoration and unplanned downtime are at an aggregated national level.

Quality standard performance is also reported to the Commission, as well as measures on national port utilisation to ensure network capacity is meeting demand.

Environmental Management

FY 2025

0

CHORUS HAD ZERO MATERIAL ENVIRONMENTAL BREACHES[13]

FY 2025

63

NUMBER OF SITES ON DEPARTMENT OF CONSERVATION LAND

9 Supplier work hours reduced significantly from FY24 to FY25 reducing the number of service company inspections in FY25.

10 National Environmental Standards for Telecommunications Facilities; the Health and Safety at Work Act New Zealand; the Resource Management Act; and the Heritage New Zealand Pouhere Taonga Act.

11 See Chorus, **https://company.chorus.co.nz/about/regulatory/price-quality-information-disclosures**.

12 Definitions for Layer 1, Layer 2 and other technical terms are set out in Glossary.

13 An environmental breach is an event that is a departure from standard operating conditions that can or does have an impact on human health or the environment (e.g. diesel spillage that pollutes the surrounding land).

* Excludes force majeure events and Chorus network in other local fibre company areas.

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Fibre network resilience

Chorus' fibre network has been designed to limit the customer impact of individual network failures with:

- a resilient core network.
- physical duplication and redundancy in key parts of the network to protect against equipment, cable, or power system failures.
- geographic separation of critical network elements.
- network practices to reduce likelihood of accidental damage or network failure.

Chorus also continues to invest in the resilience of our network through the continued rollout of fibre and removal of our copper network.

As a member of the Telecommunications Forum emergency response working group, we are part of Government conversations (local and national), and sector initiatives focused on network resilience.

Cyclone Gabrielle in 2023 highlighted the interdependence between telecommunications networks and other infrastructure, such as electricity and roads, in a natural disaster.

The Telecommunications Forum's proposals for disaster preparedness and emergency management include improved understanding of other infrastructure's resilience and planning.

This focus on business resilience is supported by our business continuity management framework.

Earthquakes retain a large degree of focus for Chorus' resiliency planning. Historically, earthquake damage has tended to be limited to local copper cables, with the fibre infrastructure designed to reduce the impacts of seismic activity, and damage to exchange buildings has been minimal. Chorus has an ongoing programme to strengthen critical network sites for earthquakes.

Seismologists are using our West Coast fibre network to analyse the South Island's Alpine Fault and gather data to help model possible seismological scenarios. This study is intended to help inform local communities and organisations and help them to plan for future essential utility resiliency.

In addition to earthquake risk, Chorus also assesses its sites against other factors, such as structural integrity and vulnerability to weather-related events (i.e. high risk of flooding) that present long-term risks to our exchanges/sites. Where we believe the risk is high, Chorus develops plans to relocate these sites and/ or re-route the associated fibre network. For example, planning to relocate our Gore exchange has commenced with acquisition of a new site, and build work is due to start in FY26 with completion expected at the end of FY28.

Chorus' insurance programme covers all risks (subject to standard exclusions) of physical damage and business interruption for above-ground assets. Specific cover is provided for earthquake damage to underground cables in Auckland, Hamilton, Wellington, and Dunedin. Chorus undertakes probability-based loss estimate modelling to ensure adequate policy limits covering material damage and business interruption.



Connecting Milford Sound providing further resilience in connectivity to an extremely remote part of Aotearoa.

Health & Safety foundations

At Chorus, health & safety (H&S) is an important part of our focus on being a mature sustainable business. Our approach aims to ensure that workplace safety, risk management, and industry collaboration contribute to long-term resilience and responsible operations.

Chorus collaborates with telecommunications stakeholders through forums and strategic engagement to raise health and safety standards across the sector. As an example, Chorus helped shape Waka Kotahi's NZ Guide to Temporary Traffic Management to promote the adoption of road safety best practices across our service companies and field workforce while out working on the network. These efforts aim to support industry-wide improvements in workplace safety and sustainability.

Chorus uses a balanced scorecard approach to monitor safety maturity, engagement, and behaviours. The scorecard, built on benchmarked practices, is designed to tell us if the health & safety framework is working, drive continuous improvement and ensure that safety is a central pillar of our operational sustainability. Measurable outcomes, such as increased incident reporting and proactive risk management, demonstrate our progress.

In partnership with the Aotearoa New Zealand GM Safety Forum, updated governance guidelines have been released.[14] We have supported our leadership team and the Board in building capability in line with this guidance and in response to industry cases with updates and training in FY25.

The Chorus H&S risk management framework has historically focused on the work our people undertake and the critical risks and controls that need to be in place to ensure their safety. In FY25, Chorus reviewed and broadened this approach to better consider Chorus assets. Teams across Chorus have worked together to ensure a broader and more strategic approach to assess H&S risks in FY26.

Chorus also supports scholarship programs and external H&S associations to grow the pool of qualified H&S advisors, with a view to fostering industry leadership and continuous knowledge sharing.

14 Health and safety governance: a good practice guide **https://www.iod.org.nz/resources-and-insights/guides-and-resources/health-and-safety-a-good-practice-guide#.**

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Thriving communities

The digital divide in Aotearoa, where some households do not have meaningful digital access, reflects several obstacles, such as availability, affordability, and adoption of technology options.

Chorus is playing a part in closing this digital divide when it comes to connectivity by partnering with other stakeholders as set out below, to help facilitate better futures for Aotearoa.

Here's is a snapshot of how we're tracking.

Chorus partners to help bridge the digital divide and strive for digital equity in Aotearoa

Target: 1,000 digital equity (DE) product connections by end of 2025

Through our DE Proof of Concept (PoC) Product

FY 2025

2,621

CONNECTIONS

NOTES

FY25: 104 new connections.
2,517 existing connections retained.

Digitally excluded households remain a focus area in the development and evolution of Chorus' fibre plans. The PoC aims to garner insights to inform consideration of digital equity propositions. Slower connection growth in some sectors highlights the challenges our channel partners have in supporting whānau to become connected.

Target: 3,000 Seniors supported via Digital Seniors

Two-year partnership (FY24/FY25)

FY 2024/25

3,984

SENIORS SUPPORTED

NOTES

This included 811 hubs across Aotearoa and eight pop up hubs at a local retirement village on the North Shore through Chorus staff volunteering.

1,500 seniors attended the Digital Seniors Tech Expo in November 2024. Seniors have also been supported through the Get Set Up for Safety A.I. training and modules created in collaboration with Netsafe, launched in May with financial support from Chorus.

Target: 100% of eligible[16] laptops to go to Recycle A Device (RAD)

End of life or broken

FY 2025

108

LAPTOPS

NOTES

Chorus supported RAD, a nationwide not-for-profit initiative that refurbishes donated laptops and tablets for redistribution to those in need. Established during 2020 lockdown, RAD's mission is to ensure no person in Aotearoa is left behind.

Target: 500K in digital inclusion charitable partnership donations for device and skills

FY 2025

$253k[15]

DONATED

NOTES

We continued our partnership with Katoa Connect and Digital Seniors in FY25.

Target: 100 Māori/Pasifika adults graduate Hapori Connect programme

with Katoa connect in FY25

FY 2025

100

GRADUATES

NOTES

Targeted efforts in Northland, where digital exclusion rates are high among Māori and Pacific whānau, with participants receiving **20** hours of skills training, subsidised internet for a year, and a free device.

Our people are empowered to support community good with a focus on digital inclusion

Target: 40% of Chorus staff using volunteer leave

FY 2025

38%

OF STAFF USED VOLUNTEER LEAVE

NOTES

Volunteering participation increased in FY25, supported by centrally coordinated opportunities and an enhanced communications and engagement strategy.

22% OF VOLUNTEER LEAVE USED FOR DIGITAL INCLUSION INITIATIVES

Target: Employee payroll giving attached to digital inclusion by end of FY25

NOTES

Payroll giving was promoted throughout the year, with a focused campaign during Volunteer Week.

15 $250K of charitable giving allocated for FY25 was paid at the end of FY24 so total FY25 related charitable spend would have been $500k.

16 Eligible corporate laptops need to be less than 10 years old and with a charger. If devices do not meet these criteria, they are sent to our e-waste provider for recycling.

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Launch of Whiria te Aka Mathiko

The digital divide continues to grow in Aotearoa New Zealand, with the Digital Equity Coalition Aotearoa's 'Affordable Connectivity in Aotearoa' report[17] revealing in May 2024 that up to 380,000 households cannot afford meaningful digital access. To achieve Chorus' strategic goal of 80% fibre broadband uptake and fulfil our purpose of "Unleashing potential through connectivity. Enabling better futures for Aotearoa", we're also playing our part to tackle the challenges of affordability, availability, and adoption in the digital space.

Whiria te Aka Mathiko is Chorus' initiative to help close this divide through four key areas:

1. **Digital Equity Product Trial:** Chorus is working with service providers to trial an equitable/low-cost fibre product to low-income households, to better enable the support to connect confidently.
2. **Charitable Partnerships**: over FY24 and FY25, Chorus has donated $1,000,000 to organisations like Katoa Connect and Digital Seniors ($750,000 in FY24, with $253,000 donated in FY25), supporting digital inclusion in underserved communities.
3. **Sponsorships:** Chorus has collaborated with NetSafe on senior safety campaigns.
4. **Volunteering:** Chorus' people have a volunteering day to support communities, including providing digital skills support.

Whiria te Aka Mathiko, meaning "weaving the fibre," reflects Chorus' strategic focus on connecting communities and enabling better futures through digital equity.



Chorus employee volunteering with Digital Seniors; tackling the tech and confidence barriers.



Digital Equity Timaru trip; Chorus making connections that truly matter.

Digital Equity product trial

The Digital Equity Proof of Concept (PoC) is exploring a scalable fibre solution for digitally disadvantaged households. The objective is to assess whether Chorus, in collaboration with RSPs, community organisations, and social service agencies, can deliver an affordable and meaningful broadband connectivity proposition.

The primary beneficiaries of this initiative are whānau (families) residing in social housing who are currently without digital connectivity or homes with children who attend a school that is part of the Ka Ora, Ka Ako - Healthy School Lunches Programme.

This is a cross-industry initiative involving Chorus, other Local Fibre Companies (LFCs), interested RSPs, community groups, and social service providers, all of whom have contributed to the development of various components of the proposition.

Chorus has developed two fibre-based Digital Equity products, along with an eligibility framework intended to ensure the support reaches those most in need. This approach also aims to build broad, multi-stakeholder backing for future digital inclusion initiatives.

Since February 2025, social impact RSPs have been delivering fibre connections to digitally disadvantaged households, maintaining approximately 2,500 active connections during the transition from the Ministry of Education's free internet initiative to the Digital Equity 2024 offering.

The Digital Equity PoC is a key component of Chorus' broader Whiria te Aka Mathiko strategy.

Expanding our fibre footprint

In 2025, Chorus advanced its strategic goal to expand fibre access through the Fibre Frontier build programme – our first large-scale rollout without government funding. To date, the initiative has added fibre to around 4,500 premises across 59 communities, with the intent of the programme overall to enable approximately 25,000 more New Zealanders to access reliable broadband.

Continued demand from areas outside Chorus' current fibre footprint encouraged the launch of Chorus' Community Co-Funded Fibre Build programme. Chorus contributes $3,500 per premises, supporting communities outside the current fibre footprint to co-invest in their connectivity. This model provides a practical and community-focused pathway to extend fibre access where viable.

Chorus continues to advocate for a supportive policy and regulatory environment for fibre expansion by engaging with government, the Commerce Commission, and other stakeholders to encourage future investment. Recent endorsement from Te Waihanga (the Infrastructure Commission) of Chorus' proposal to expand fibre to 95 percent of Aotearoa is encouraging, though funding from Government remains a key enabler.

17 https://www.digitalequity.nz/affordableconnectivityreport.

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Community relations

This year, Chorus' Community Affairs team continued to build local partnerships and support communities across Aotearoa. The team's focus was on initiatives with the potential to strengthen digital inclusion, support local communities, and reduce vandalism through creativity.

Some highlights from FY25 are set out below

Supporting local communities through art

We worked with more than 50 councils nationwide to paint more than 200 murals on cabinets and exchange buildings. These public artworks, including Rainbow-themed designs, not only brighten neighbourhoods and deter graffiti but also provide paid opportunities and greater visibility for local artists.

Collaborative partnerships across the country

We worked alongside community organisations and local business groups such as the Beautification Trust, Creative Bay of Plenty, Creative Northland, Rural Women, Federated Farmers, and business associations in Parnell, Wiri, and Papakura. Our ongoing relationships with local graffiti prevention teams in Auckland, Wellington, and Christchurch also helped ensure our public-facing infrastructure remains clean and welcoming.

Grassroots engagement and fibre awareness

We delivered community events across Aotearoa to promote the benefits of fibre, understand local connectivity barriers, and explore digital skills needs. These gatherings helped build trust and foster two-way conversations with communities. We also attended major regional Field Days in Kirwee, Wanaka, Northland, and Central Districts, ensuring people had easy access to information about our activities to build out fibre further and the retirement of the copper network.

Engaging with local government leaders

We returned to the Local Government New Zealand conference, where the team spoke with Mayors, Councillors, Chief Executives, and local government representatives from across the country, strengthening our relationships and reinforcing our focus on community. We also attended a number of council meetings in person to update on connectivity in local areas and provide education sessions.

Chorus' FY25 key community contributions



SPONSORSHIPS
$136,000

MEMBERSHIPS
$1.1 MILLION

DONATIONS
$253,000

IN-KIND GIVING
2,216 HOURS



Chorus talk to members of the public at a tech for seniors expo.



Chorus at Fieldays; Connecting rural Aotearoa to the future.

Stakeholder and investor relations

Chorus' stakeholder engagement approach is designed to be proactive, transparent, and tailored to the needs of diverse groups. Chorus looks to engage regularly across central and local government (attending and holding events), community organisations (see below under 'Community relations'), and industry and key stakeholder groups.

Chorus monitors customer satisfaction through surveys on fault restoration and connecting homes with an existing fibre box. Customer experience is linked to organisational objectives for remuneration purposes. Chorus also uses independent customer surveys to assess broadband satisfaction and the public's perception of the organisation.

Chorus' investor relations programme facilitates two-way communication with investors and other market participants about our business, governance, and performance. Annual and half-year results presentations are available to all investors via webcast, as is our annual shareholders meeting. Chorus held an investor day in December 2024 to provide insights into our new company strategy and business performance.

Chorus was a first-time finalist for 'Best Investor Relations' at the 2025 INFINZ Awards and winner of 'Best Investor Relations by a New Zealand Company' in the 2025 Australasian Investor Relations Association awards (previous winner in 2024 and 2022).

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Thriving people

Thriving people and diversity of thought are central to our success as a business.

As part of Chorus' people strategy, a focus for FY25 was on 'Hauora' (the Te Ao Māori view of wellbeing) and 'Te Whare Tapa Whā' (the four pillars of Mental & Emotional, Physical, Family & Social, and Spiritual Wellbeing) to provide a holistic approach to wellbeing and thriving people.

Chorus provides a range of benefits for full time employees, including flexible working options, gender equal parental leave package (totalling eight weeks for all parents), volunteer time, wellbeing, and company days as extra leave. Additionally, employees receive an internet concession, subsidised insurance, accommodation at Marram holiday homes and healthcare, as well as other social and wellbeing initiatives.

Here's is a snapshot of how we're tracking.

Employee turnover rate

Voluntary



Total turnover rate



Positions filled by internal candidates



NOTES

The FY25 total turnover rate includes employees who exited the organisation as part of operating model changes.

Employee engagement

Total score out of 10



Employee net promoter score (eNPS)[18]



Participation rate



NOTES

Chorus is within the top 5% of the technology industry benchmark for eNPS and top 25% for total score in FY25.

Learning and development

Average hours per FTE



Average $ per FTE



NOTES

While organisational change in FY25 led to a temporary reduction in focused learning activity, Chorus is preparing to launch a new leadership programme in FY26.

Diversity, Equity and Inclusion objectives are integrated into the programme and this initiative, combined with renewed emphasis on individual goal setting and development is expected to drive an uplift in learning activity across Chorus.

18 eNPS means employee Net Promoter Score. Net promoter scores can range from -100 to +100 and are calculated by subtracting the percentage of detractors (0-6 engagement score) from the percentage of promoters (9-10 engagement score).

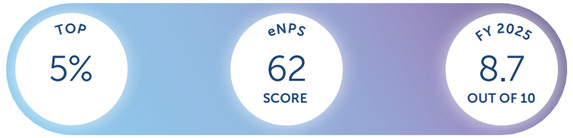
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Thriving people continued

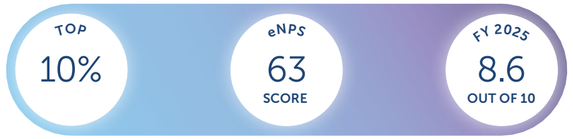
Diversity, Equity, Inclusion, and wellbeing in FY25

Target: Top 10% of Technology industry benchmark[19]

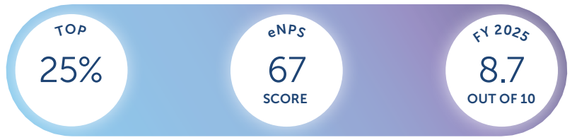
DIVERSITY DRIVERS



INCLUSIVENESS DRIVERS



NON-DISCRIMINATORY DRIVERS



NOTES

Chorus achieved its targets for FY25 across most of Diversity, Equity and Inclusion.

Target: Top 5% of Technology industry benchmark

MENTAL WELLBEING DRIVERS



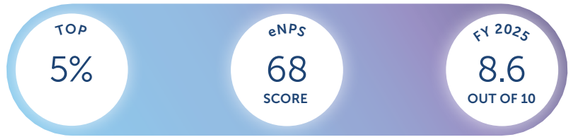
SOCIAL WELLBEING DRIVERS



PHYSICAL WELLBEING DRIVERS



ORGANISATIONAL SUPPORT DRIVERS



NOTES

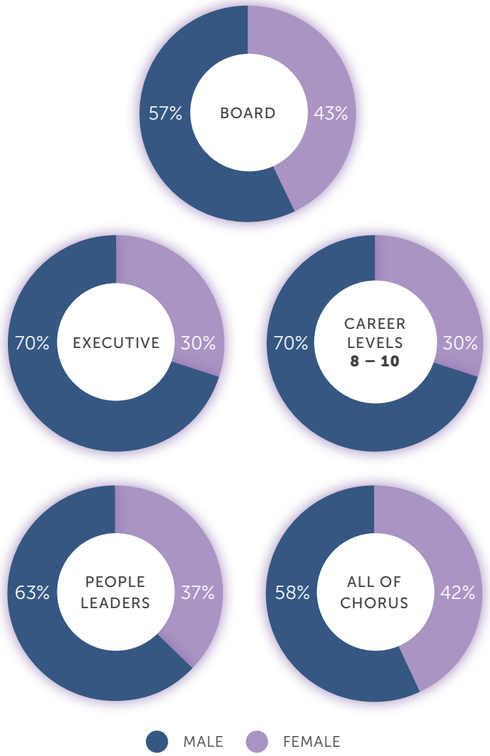
Chorus achieved its targets for FY25 in all four drivers of Health and Wellbeing.

19 Chorus engagement survey data is provided by Peakon who provide a technology sector benchmark for comparison. Achieving a score within the top 10% of the benchmark is considered best in class.

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Thriving people continued

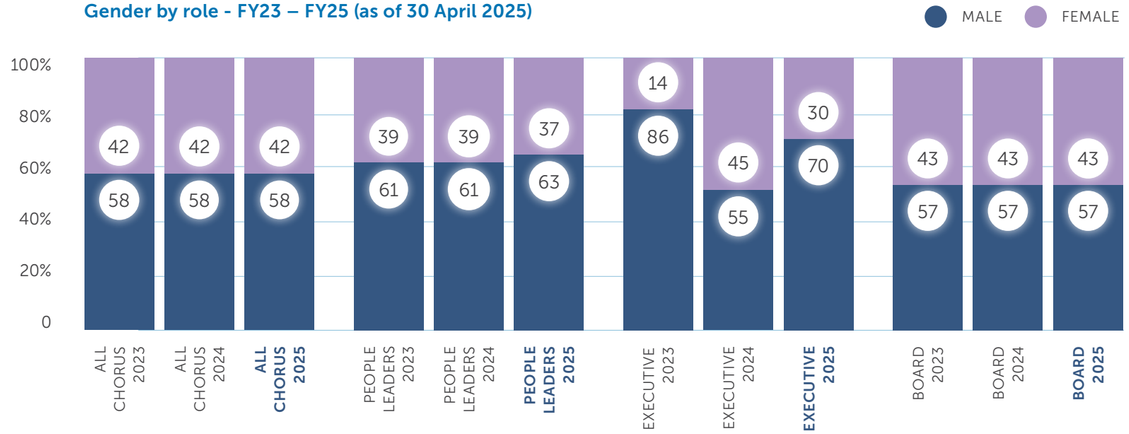
FY25 Gender split at all levels of the organisation[20] (as of 30 April 2025)



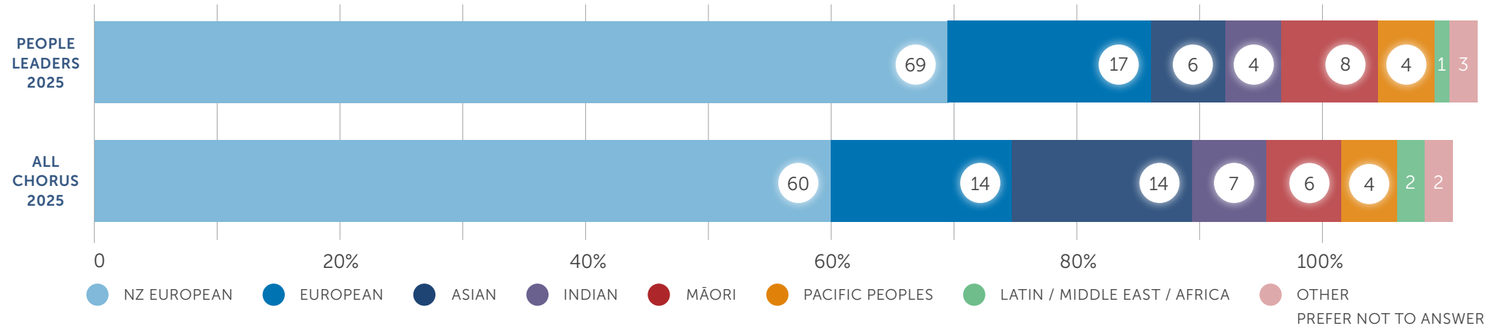
NOTES

Chorus met its measure of 40:40:20 in the levels of Board and all Chorus employees.

Gender by role - FY23 – FY25 (as of 30 April 2025)



Voluntary ethnicity reporting by role - FY25 (as at June 2025)



NOTES

These two % columns don't add to 100%. This is because our people can chose up to three ethnicities that they identify as, so where someone has more than one they are represented in each of their ethnicities, but over the total headcount. This is consistent with how we report ethnicity splits elsewhere.

Ethnic representation: Chorus has 99% of our employee population's ethnicity data. Chorus seeks to grow diverse leadership population with internal development and education programmes, sponsorship and mentoring.

20 Chorus targets a gender split of 40% male, 40% female 20% of any gender.

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New gender pay target set

Chorus remains committed to fostering a diverse, equitable, and inclusive workplace where DE&I continues to be embedded in our organisational culture and reflected in initiatives across the business.

In FY25, we advanced our gender equity efforts through a new plan aimed at addressing and mitigating inequities. At a total company level, comparing the median hourly rate for women to men across all roles, Chorus' gender pay gap improved from -18.4% in April 2024 to -16.9% in April 2025. An indicator that our gender equity plan is driving sustainable change is the gender pay gap among new hires over the past two years, which now sits at 0%. This reflects improved equity in starting salaries and reinforces the impact of our targeted actions.

We know from the work undertaken that the gap is primarily driven by existing gender imbalance across the organisation, with a higher proportion of male employees, which is common to many technology companies. As part of our plan, Chorus is focusing on opportunities to increase female appointments, notably in senior roles. Due to efforts in FY25, we have seen a +3% uplift to 33% in this cohort. We expect to see further positive improvement in gender balance across FY26.

We have also set a new target to reduce our organisational gender pay gap to –10% or less by FY29. We believe that through strengthened frameworks and data driven decision making we will set the path to achieving this.

Future Fit Leadership framework

To support Chorus' shift into Horizon Two (FY26–FY30)[21] and complement its values and behaviours, Chorus developed the Future Fit Leadership framework in FY25, a practical tool integrated across the business that gives Chorus leaders the skills to create thriving teams and drive strategic execution.

The framework is focused on 11 core leadership skills, covering both the 'what' (e.g., strategic problem solving, data-driven decision making) and the 'how' (e.g. aligning team efforts with Chorus' strategy, setting the standard for inclusive leadership by modelling honesty, respect and openness etc). Leaders are encouraged to prioritise the core skills most relevant to their role and current challenges.



Chorus people leaders come together to talk leadership, recognition, prioritisation and more.

Cybersecurity

Chorus has adopted the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) 2.0 as our core controls framework and continues to utilise controls specified from ISO 27001/2 and the New Zealand Information Security Manual (the Aotearoa New Zealand Government's manual on information assurance and information systems security) where appropriate.

Chorus also has CEO-approved policies for information management and control, technology usage and technology security, artificial intelligence, and whistle blowing. These policies help govern our technology strategy and its sub strategies including security, software lifecycle, and technology and service resilience. Our technology framework ensures cybersecurity is addressed through technology selection and adoption, network delivery practices, and ongoing operations and protection of IT systems.

Protecting Chorus' network, business operations, and private and commercially sensitive information is of paramount importance. We utilise a "defence in depth" technology strategy encompassing several multi-layer controls such as 'least privilege (granting users the minimum access necessary to perform their jobs), multi factor authentication, regular security auditing, vulnerability scanning, and penetration testing. Our Security Incident Response Plan is part of a wider crisis management framework and sets out how we respond should there be a suspected or confirmed cyber incident. Depending on the nature or criticality of any incident, Chorus would assess whether Government ministers and/or agencies needed to be engaged. In all instances a post incident review is conducted to identify improvements to our control frameworks.

The Audit and Risk Management Committee (ARMC) receives cybersecurity reports from the Chief Technology Officer every three months, with interim updates as required. These are reported back to the Board. Chorus chose to obtain an external audit for alignment with the NIST CSF 2.0 framework in 2024, with programmatic improvements occurring over 2025 as a result. We also conduct technology audits and penetration testing exercises for any material technology changes.

Chorus monitors all material changes in technology environment, including access control. Areas containing personal or sensitive data are protected and monitored for change with automatic alerting. Egress gateways such as email, Internet and/or removable devices are monitored for unauthorised or inappropriate transfers. Access controls and encryption are applied to systems identified as containing sensitive information.

Chorus' Security Officers test the businesses security incident response and liaise with the National Cyber Security Centre on advanced cyber threats. Chorus also undertake incident exercises and vulnerability audits, including with external parties, in parallel with internal real-time scanning of systems.

All people with network access undergo mandatory cyber awareness training on issues such as phishing and malware. Employees also receive mandatory training on privacy and information management, and on Chorus' regulated information management obligations. Chorus' procurement processes ensure that suppliers are selected, contracted, and managed to protect sensitive data required to meet our information security standards and policies.

21 Refer to Chorus' investor day presentation 2024-**https://chorus-investor-day-2024-presentation.pdf.**

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Privacy

As a wholesale network operator, Chorus generally does not sell telecommunications services directly to end customers or bill them directly. This means we hold less personal information than the RSPs who use our network to provide services directly to their customers.

Chorus protects and manages personal information in line with the requirements of the New Zealand Privacy Act 2020 and the Telecommunications Information Privacy Code 2020 that sets out additional rules for the telecommunications sector. A copy of our privacy policy is available on our website.[22]

Chorus' privacy policy has a process for access and correction of personal information. Requests can be made by contacting privacy@chorus.co.nz. Where appropriate, a rectification request may result in correction or deletion of incorrect or dated personal information.

We take our privacy obligations seriously and have a group of subject matter experts across the business who are responsible for keeping privacy policies and related employee training up to date, to help ensure our obligations are front of mind whenever we deal with personal information.

Our Privacy Officer is responsible for implementing our privacy framework within its wider risk management framework. They promote awareness of our privacy systems and processes and escalate matters to the Executive team as required. Annual privacy training is compulsory for employees and contractors who have access to Chorus IT systems. Tailored training for specific teams is run as required.

We provide personal information to third parties in very limited circumstances as outlined in our privacy policy. For example, individuals can opt-out of our PowerSense service which provides Optical Network Terminals (ONT) in customer or business premises power status to emergency services and other utility operators.

Ethical supply chain

Sustainable and valuable supplier relationships

Given the rapid change within the telecommunications industry, Chorus focuses on building enduring relationships with our suppliers that deliver value to both parties and encourage innovation. Chorus considers a range of sustainability-related criteria when evaluating potential suppliers, including environment, health and safety, worker welfare and corporate reputation as applicable.

Chorus encourages suppliers to go beyond legal compliance, drawing on internationally recognised standards where appropriate to advance social, labour and business ethics.[23] We do this primarily through regular and consistent engagement, and through weighted evaluation criteria in tenders or market exercises. Our commercial team administers our supplier code of practice, which is incorporated into supplier contracts, and has governance oversight from the Board.

See: **https://company.chorus.co.nz/about/contracts-andagreements/suppliers.**

Worker Welfare & our Modern Slavery Statement

Chorus' supply chains span around 1,100 direct suppliers representing approximately $730 million in procurement spend in FY25. Most of Chorus' direct supplier spend is in Aotearoa.

Chorus expects our suppliers to share our commitment that everyone is treated fairly. The aim is to make worker welfare an everyday part of business, like Chorus' health and safety. Examples include our Ethical Voice survey to technicians, Chorus' online portal and independent whistle-blower process and our worker welfare team that monitors Chorus' contractor and subcontractor field workforce within Aotearoa.

Chorus sources a range of goods and services internationally, primarily from suppliers in Europe, North America, and Asia with an Aotearoa New Zealand presence. Chorus manages modern slavery risks during the procurement and contracting process with suppliers required contractually to comply with Chorus' Supplier Code of Practice.

In FY25, we surveyed technicians and subcontractors on health and safety and employment conditions. This led to continuous improvement initiatives and improved awareness.

Our cross-business governance team oversees any investigation of actual or potential work mistreatment and oversees the service companies' worker welfare programmes. We notify relevant regulatory authorities if we identify exploitation and, where appropriate, ban companies from working on the Chorus network.

We audited our own worker welfare programme and our service companies to ensure the programmes are operating effectively. We reviewed technician onboarding procedures to satisfy ourselves that migrant workers were properly inducted into the workforce and their employment was consistent with New Zealand employment law and their visa conditions. Chorus continues to monitor for exploitation.

A small number of complaints were received and dealt with by us, service companies or specialist investigators during FY25. Chorus takes such complaints seriously. Eleven companies were removed from further work on our network.

Further information can be found at **https://worker-welfare.chorus.co.nz** and in Chorus' Modern Slavery Statement at: **https://company.chorus.co.nz/about/governance**.

22 **https://www.chorus.co.nz/legal/privacy-policy.**
23 For example, principles in respect of labour and human rights under the UN Global Compact and Universal Declaration of Human Rights – for more information, see Chorus' Supplier Code of Practice.

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Code of Ethics

Chorus directors and employees are expected to act honestly and with high standards of personal integrity. Chorus' codes of ethics set the expected minimum standards for professional conduct. These codes also facilitate behaviours and decisions consistent with Chorus' values, business goals and legal and policy obligations.

Annual training is provided to Chorus directors and employees, including part-time workers and contractors with access to Chorus IT systems. Employees are encouraged to report unethical behaviour, and multiple channels are available to them to do so. Additionally, all employees and directors are asked annually to register any potential conflicts of interest.

Bribery and gifts

Acceptance of bribes, or gifts and other benefits which could be perceived as influencing decisions, are prohibited under our codes of ethics. Chorus' Gifts and Entertainment policy applies to all directors, employees, and contractors. Gifts and entertainment over $150 require approval and internal reporting.

Chorus is not involved in any ongoing bribery and corruption cases, and no fines or settlements were incurred for anti-competitive business practices in FY25. Our supplier code of practice requires suppliers to comply with laws relating to anti-bribery and corruption. This includes bribery, abuse of power, extortion, fraud, deception, collusion, cartels, and embezzlement.

Anti-bullying, harassment, and discrimination

Chorus is committed to a psychologically and physically safe working environment, and takes a zero-tolerance approach to bullying, harassment, and discrimination.

All new starters take workplace training as part of their induction. Chorus' policies and codes, including our Supplier Code of Practice and internal Anti-Bullying, Harassment & Discrimination Policy, reflect legislation, such as the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993, prohibiting discrimination and protecting a number of rights including the right to freedom of expression, freedom of association and freedom of movement.

Whistleblowing and fraud

The Protected Disclosures (Protection of Whistle-blowers) Act 2022 provides enhanced legislative protection for employees who notify an appropriate authority about serious wrongdoing in, or by, an organisation.

We encourage confidential reporting of serious misconduct or wrongdoing and suspected fraud or corruption. Chorus has a number of internal reporting channels with anonymous reporting also available via a dedicated whistle-blower email address and phone number monitored by PwC.

Reporting channels are available to all employees and contractors. In addition, there is a dedicated email address available for reporting suspected fraud.

Chorus did not receive any reports of serious instances of unethical behaviour by our employees in the year to 30 June 2025.

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How we report

Governance overview

Chorus' sustainability strategy and supporting initiatives, including our sustainability reporting, are developed by our Head of Sustainability and Sustainability team. Our sustainability strategy is endorsed by the Chorus Executive and Board. Annual sustainability updates are provided to the Board and the Audit & Risk Management Committee.

Materiality assessment

In FY25, Chorus validated its sustainability approach, running a materiality assessment pulse check with stakeholders to ensure we focus on what makes business sense while supporting important initiatives for Aotearoa New Zealand.[24] The results of this materiality assessment helped refine areas of focus for Chorus' updated sustainability strategy.

A summary of what were considered top ESG priorities for Chorus to focus on, can be found below.[25] The top three areas of focus are highlighted in blue:

Environmental, social, and governance (ESG) topic	1st	2nd	3rd	TOTALS %
NETWORK RELIABILITY	9	4	3	22
NETWORK RESILIENCE	2	7	5	19
DIGITAL INCLUSION / EQUITY	5	4	2	15
HEALTH & SAFETY - EMPLOYEES & CONTRACTORS	3	1	3	10
REGULATORY COMPLIANCE	1	3	1	7
COMMUNITY ENGAGEMENT & SOCIAL LICENSE TO OPERATE		2	3	7
CYBERSECURITY & DATA GOVERNANCE	2		2	6
SUSTAINABLE SUPPLY CHAIN PRACTICES	1		1	3
RISK MANAGEMENT & RESILIENCE PLANNING		2		3
BOARD DIVERSITY & INDEPENDENCE		1	1	3
DIVERSITY, EQUITY, AND INCLUSION (D,E&I)			2	3
ETHICAL BUSINESS PRACTICES	1			1
EMPLOYEE ENGAGEMENT & DEVELOPMENT			1	1

24 Stakeholders contacted in FY25 materiality pulse check included investors, Chorus employees, customers, local council, the Commerce Commission, RSPs and other key stakeholder representatives.
25 Chorus asked stakeholders to rank their top 3 factors from the list in the table. The percentage represents the combined total of those surveyed who ranked the relevant factor 1, 2 or 3.

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Glossary

Board	Chorus Limited's Board of Directors.
Chorus	Chorus Limited and it's subsidiary - Chorus New Zealand Limited.
Engagement Survey	Chorus engagement survey data is provided by Peakon who provide a technology sector benchmark for comparison.
CRD	Climate-Related Disclosures.
Emissions	Emission sources are categorised by scope to manage risks and impacts of double counting. There are three scopes in greenhouse gas reporting.
FY	Financial year – twelve months ended 30 June. e.g. FY25 is from 1 July 2024 to 30 June 2025.
Layer 1	The physical cables and co-location space for the network (the passive network infrastructure).
Layer 2	The data link layer, including broadband electronics, for the network.
Petabyte	One million gigabytes (GB), which is a measure of data volume.
SBTi	Science Based Target initiative.
Scope 1	Direct emissions from sources that are owned or controlled by a company.
Scope 2	Indirect emissions from the generation of purchased electricity consumed by a company.
Scope 3	Indirect emissions from the value chain of a company.
Solar PV	A photovoltaic (PV) cell, commonly called a solar cell, is a non-mechanical device that converts sunlight directly into electricity.

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Important notes

This report has not been independently verified.

Climate and sustainability-related information

This report relates to Chorus Limited and its wholly owned subsidiary (and operating company) Chorus New Zealand Limited (hereinafter referred to as "Chorus," "we," "us," "our") unless otherwise noted in the report.

This report contains climate change and sustainability related statements that are based on data, methodologies, and judgements that are, by their nature, subject to significant uncertainty, limitations, and assumptions, and which may change. While Chorus has sought to provide accurate information in respect of the reporting period ended 30 June 2025, we caution reliance being placed on information in this report, which may be necessarily less reliable than Chorus' other public reporting. The climate-related and other sustainability-related strategy, analysis, and data (including from third parties and our supply chain) may be incomplete, inconsistent, unreliable, or unavailable, and we may have needed to rely on assumptions, estimates or proxies instead.

Except as required by law, Chorus does not, and does not undertake any obligation to, independently verify such third-party information. Chorus' FY25 Climate Statements (prepared under Aotearoa's climate-related disclosures **(CRD)** regime) are available at **https://company.chorus. co.nz/sustainability.**

Our approach to the disclosures included in this report differs from our approach to the disclosures we include in other reports. Inclusion of matters in this report does not necessarily indicate those matters are material for the purposes of complying with any applicable regulations or other reporting framework, even where we use the word "material" or "materiality" in this report.

Forward-looking statements

This report also contains forward-looking statements, including with respect to climate-related and other sustainability-related strategy, analysis, data, impacts, targets, and projections, as well as Chorus' business plans and operations, future operating environment, and market conditions, which may not eventuate as predicted.

The risks and opportunities described here may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Chorus' actual results, or achievement of climate-related and other sustainability related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, customer, and market factors outside of Chorus' control.

We similarly caution reliance being placed on such statements, which are necessarily subject to significant risk, and assumptions. We have based our statements and opinions on reasonable information known to us at the time of publication, but these may change including for reasons beyond Chorus' control.

We reserve the right to update those statements in future, as the quality and completeness of inputs and information improves, and our organisational strategy evolves. Chorus gives no representation, guarantee, or assurance that actual outcomes or performance will occur in line with forward-looking statements and accepts no liability for any loss arising from use of information contained in this report.

Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. For detailed information on our financial performance, please refer to the financial statements contained in our FY25 Annual Report.

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CHORUS

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CHORUS

CLIMATE STATEMENTS 2025

For the 12 months ended 30 June 2025

Climate-Related Disclosures (CRD) under Part 7A of the FMCA



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Publication date: 25 August 2025

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Welcome

Chorus is pleased to release our second year of climate statements, containing our climate-related disclosures **(CRD)** for FY25, prepared in accordance with the requirements of the Aotearoa New Zealand Climate Standards. The telecommunications sector has a role to play in climate mitigation and adaptation, as more businesses, individuals and communities look to technology to help reduce emissions and adapt to a more uncertain climate. In 2022, the World Broadband Association acknowledged that fixed broadband service providers will play a key role in reducing the environmental impact of the telecommunications sector, particularly fibre-to-the-home networks.[1]

In FY25, Chorus reset its corporate strategy with a clear vision of transitioning to an all-fibre business, with a purpose of unleashing potential through connectivity and enabling better futures for Aotearoa. The withdrawal of copper services and transition to an all-fibre network remains a fundamental part of our Emissions Reduction Plan, through which we aim to realise the environmental benefits of fibre as a low-emissions technology, together with our trials in the self-generation of renewable electricity.

Our climate statements reflect Chorus' ongoing focus on climate action and building resilience in our business. In this report, we describe our progress over FY25 and key steps we are taking to support Aotearoa's transition to a low-emissions, climate-resilient future state. A number of the core systems and processes underpinning our climate response remain consistent with last year, and we have noted where this is the case with a view to reducing the overall length of reporting to focus on information that is material for primary users. The impacts associated with severe weather events continue to be a key area which Chorus monitors and responds to through our business continuity processes. Through our climate targets, we are working towards emissions reduction and exploring energy efficiency opportunities for our network.

Although we are well on our way with our sustainability journey, we recognise there is more to do, and a need for continued iteration and adaptation over time. Chorus continues to explore new ideas, options, and technology innovations to support our sustainability performance as we work towards enabling better futures for Aotearoa.



Mark Cross
Director and Board Chair
Dated: 22 August 2025



Kate Jorgensen
Director and ARMC Chair
Dated: 22 August 2025

1 World Broadband Association, '**Importance of Environmental Sustainability in Telecom Service Providers' Strategy**', 2022.

Overview

Chorus Limited is a climate reporting entity under the Financial Markets Conduct Act 2013 **(FMCA)**. This report contains Chorus' group climate statements under the mandatory reporting regime for financial year 1 July 2024–30 June 2025 **(FY25)** and relates to Chorus Limited and its wholly owned subsidiary (and operating company) Chorus New Zealand Limited (together, **Chorus**). The scope of reporting entity is consistent with Chorus' FY25 financial statements.[2]

Chorus is New Zealand's largest fixed line telecommunications network operator providing wholesale telecommunications services to broadband retailers. Its fibre network offers access to high-speed, reliable, and world-class fibre broadband.

Chorus' climate statements have been prepared in accordance with the requirements of the FMCA, and the Aotearoa New Zealand Climate Standards 1, 2 and 3 **(NZ CS)** across the four thematic areas of Governance, Strategy, Risk Management and Metrics & Targets.

This report builds on Chorus' disclosures from FY24 and is intended to inform primary users of how Chorus is positioning itself to manage the climate-related risks and opportunities that may affect its business over time.

Statement of compliance

NZ CS 3, 55-56

Chorus' climate-related disclosures comply with the mandatory requirements of the Aotearoa New Zealand Climate Standards NZ CS 1, 2 and 3. The table in **Appendix 1** summarises where key disclosures can be found in this report.

Chorus has used the following adoption provisions under NZ CS 2 for our FY25 CRD:

- Adoption Provision 2 (paragraphs 12–14 of NZ CS 2) – Anticipated financial impacts
- Adoption Provision 6 (paragraphs 20–21 of NZ CS 2) – Comparatives for metrics (noting that one year of comparative information is provided as required)
- Adoption Provision 7 (paragraph 22 of NZ CS 2) – Analysis of trends

Important note

This report includes climate-related data, assessments, and forward-looking statements that are by their nature subject to significant uncertainty, assumptions, and limitations. Inputs may be incomplete or unreliable, and modelling methodologies are still evolving. As such, information may change and should not be relied upon as definitive.

Forward-looking statements, including targets, forecasts, anticipated impacts and strategic plans, may not eventuate as expected including due to factors beyond Chorus' control. Chorus does not guarantee the accuracy of these statements and cautions against reliance being placed on these statements which are necessarily less reliable than Chorus' other external reporting.

This report is not an offer or investment advice. For financial performance, please refer to **Chorus' Annual Report**. For further information, please read the limitations detailed throughout this report and in **Appendix 2.**

2 Unless the context otherwise requires, all references in this report to "we", "us", "our" and "Chorus" should be interpreted to relate to Chorus Limited.

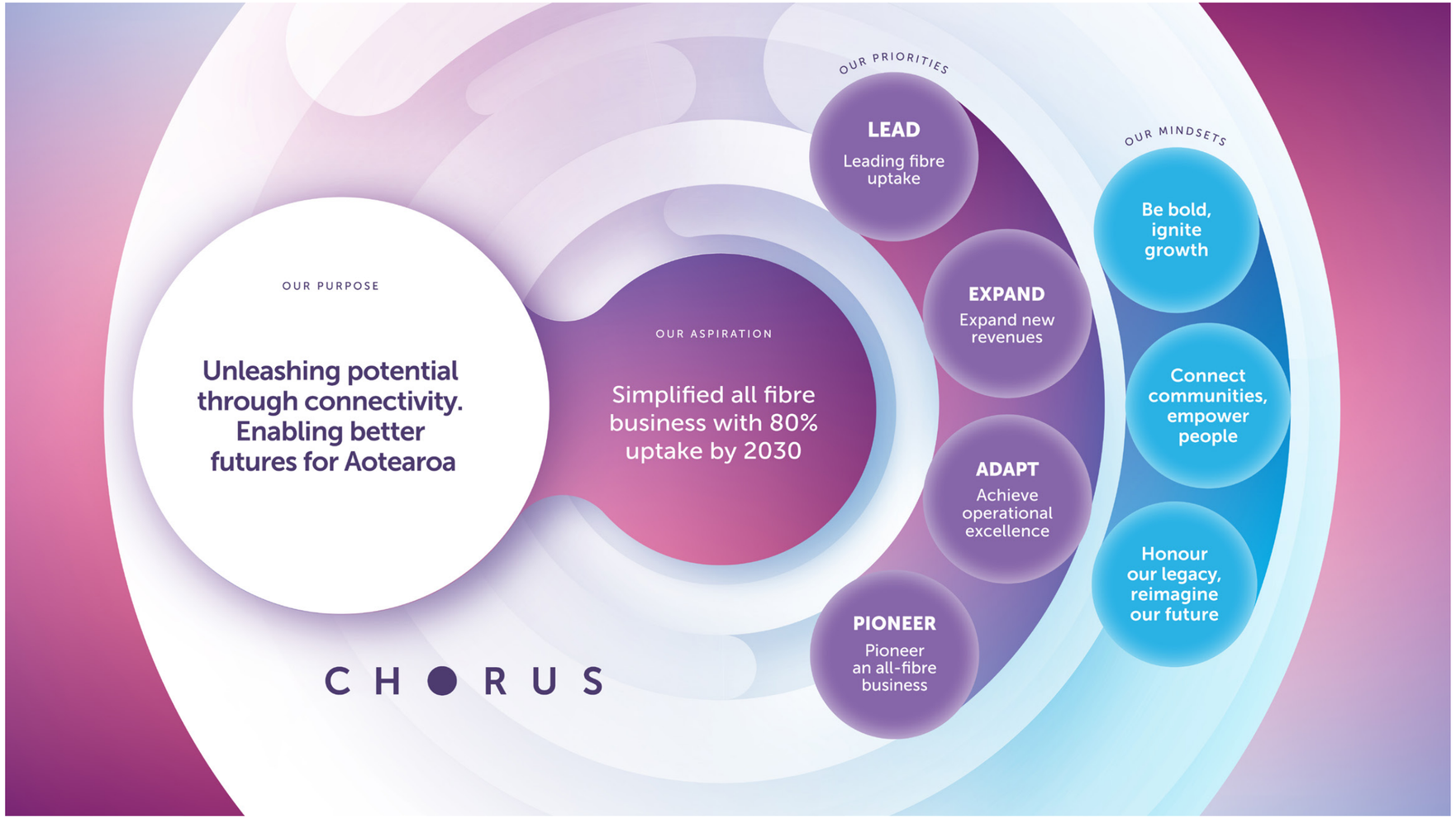
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Chorus' current business model & strategy

NZ CS 1, 16(a)

In FY25, Chorus released its updated corporate strategy. This describes our ambition to transition to a simplified, all-fibre business by 2030. Chorus' new purpose is to unleash potential through connectivity, enabling better futures for Aotearoa.[3]
The intended retirement of Chorus' copper network by 2030 and focus on efficient network operation supports our ongoing focus on climate responses, as we work to reduce emissions and adapt to the changes that climate change may pose to the Chorus business and network over time.

The diagram opposite captures Chorus' renewed corporate strategy and key priorities as at the end of FY25:



3 **Chorus Investor Day Presentation 2024**, see pages 14 – 21 for an outline of Chorus' updated corporate strategy.

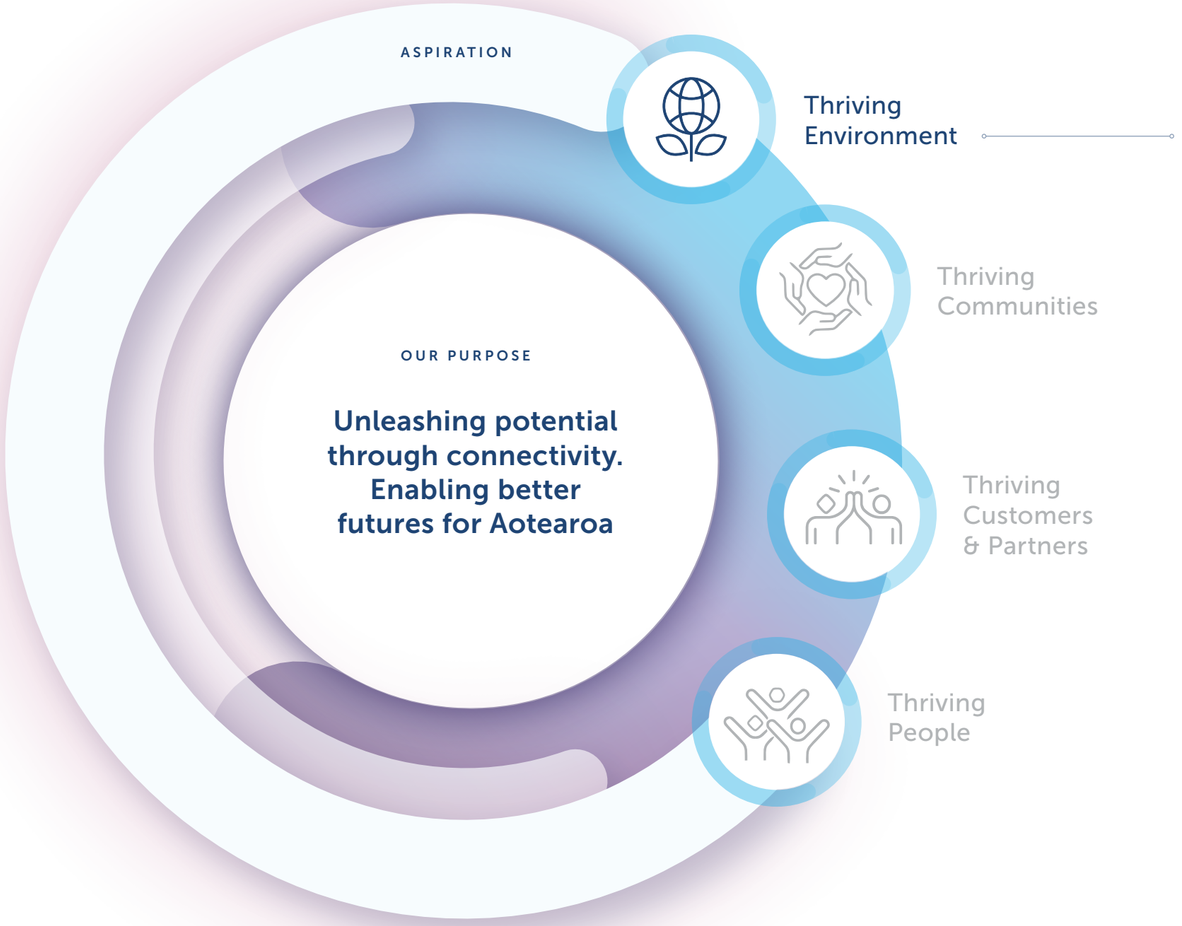
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Sustainability Strategy

NZ CS 1, 16(a)

Chorus' continued focus on sustainability is aligned to Chorus' overall corporate strategy and contributes to achieving our objectives – it is part of *how* Chorus will enable better futures for Aotearoa. Our aspiration of becoming a simplified all-fibre business encompasses taking sustainable action to best enable communities to thrive and optimise the benefits of fibre as a low-emissions technology.[4] Chorus' Sustainability Strategy was also updated in FY25 and aligns to the same four ecosystems Chorus is seeking to support through its renewed corporate purpose: Environment, Communities, Customers & Partners, and People.

Material aspects of Chorus' Sustainability Strategy are depicted in the diagram opposite, including areas we intend to work towards by 2030.



Aspirations for 2030

Chorus continues decarbonising through climate targets and accelerating our journey towards being Net Zero by 2050.

OUR INTERIM EFFORTS ARE FOCUSED ON:

- Making progress towards our scope 1, 2 & 3 science-based targets, and
- Considering whether we are ready to establish a formal Net Zero target.

Climate mitigation and adaptation inform how we do business.

OUR INTERIM EFFORTS ARE FOCUSED ON:

- Applying a climate assessment lens to asset management planning
- Testing and iterating an Internal Emissions Price to guide relevant decision making and investments, and
- Enabling climate impact financial assessments to be given appropriate focus in corporate financial planning over time.

Transition planning

NZ CS 1, 16(b)

In FY25, Chorus continued its transition planning journey through several initiatives including our Emissions Reduction Plan **(ERP)**. These efforts build upon existing programmes of work at Chorus, which already support decarbonisation, climate adaptation and building resilience. Chorus' transition planning is designed to support the business in identifying and managing climate risk and opportunity in a manner aligned to our corporate strategy and transition to an all-fibre business by 2030.

In early 2025, Chorus brought these efforts together in its first documented Transition Plan, to facilitate an integrated approach moving forward. To inform this exercise, Chorus ran workshops with internal and external experts on key topics relevant to future transition planning, including asset management. The Transition Plan describes how Chorus will leverage its strategy by working to address physical and transition climate risks and opportunities, and charts a pathway forward to support progress towards our climate targets. It also highlights key assumptions and dependencies that will inform Chorus' trajectory over time, and the potential barriers to progress. The Transition Plan was approved by Chorus' Audit and Risk Management Committee **(ARMC)** in June 2025. Key aspects are discussed in the following section.

4 Sapere Report, **'Assessing the emissions footprint of the fibre networks relative to other fixed broadband options in NZ'**, 2021, at 4.1.

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Chorus' transition plan on a page

NZ CS 1, 16(b)

The diagram below reflects the material aspects of Chorus' Transition Plan as at the end of FY25. Our Transition Plan is designed to address the material climate related risks and opportunities set out in Table 2, below.



Chorus' verified science-based emissions reduction targets

Chorus has a broad ambition to reach Net Zero emissions by 2050. The following verified science-based emissions reduction targets are designed to help us reach this ambition:

SCOPE 1 & 2
Reduce absolute scope 1&2 emissions 62% by FY30 against a FY20 base year.

SCOPE 3
Engagement goal with 70% of our suppliers by spend to have a science-based target by FY29*.

* Representing 70% of Chorus spend.

	TODAY	HORIZON 2			HORIZON 3
	FY25 PROGRESS	**FY26**	**FY27**	**FY28**	**FY30**
Decarbonise through our Emissions Reduction Plan	Scope 1 & 2: 25% reduction of emissions against FY20 Scope 3: 43% of our top suppliers have verified science-based targets in place Electricity: 11.1% reduction against FY20 100% climate-positive Toitū-certified electricity used to power our network since FY23 Fleet: 56% of our vehicles are EV or hybrid	Continue initiatives that reduce electricity consumption (such as copper withdrawal)	Continued monitoring of technological advances, and reduction of generator fuel use	100% EV or hybrid fleet	Aim to reduce electricity use by 25% against FY20 Consider formalising a Net Zero target for Chorus with supporting plan and roadmap defined
	FY25 PROGRESS	**FY26**	**FY27/FY28**		
Renewable and resilient electricity generation	Solar PV on exchange trials (six sites)	Expand solar trial to additional sites	Consider setting renewable generation target following trial completion, and expand battery storage opportunity		
	FY25 PROGRESS	**FY26/FY27**			**FY30**
Minimise climate impact through transition to an 'all-fibre business'	Climate mitigation and adaptation assessments in development for portfolio asset management plans Interim Internal Emission Price (IEP) adopted	Updated climate hazards and vulnerability assessment completed. Mitigations developed. Anticipated financial costs of climate impacts identified in line with CRD requirements Internal Emissions Price tested on initiatives to market Climate lens applied to property optimisation programme			Planned withdrawal of copper network and fibre extension to ~9,000 premises complete An all-fibre network future, with climate vulnerability assessed regularly

Please refer to Page 12 - Table 2: Chorus climate-related risks, opportunities & impacts – FY25 for icons key.

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Material assumptions & dependencies

NZ CS 3, 49

Below are the key assumptions, dependencies and potential barriers that may impact Chorus' progress towards delivering its climate goals and supporting initiatives.

Climate goal	Assumptions, dependencies & barriers
Scope 1 and 2 emissions reduction by FY30	• Progress assumes Chorus can smoothly transition to an all-fibre business and out of copper by 2030, with operating model and settings consistent with continued decarbonisation. • Solar, battery back-up and energy efficiency opportunities are proven feasible for Chorus, and can be scaled. • Renewable generation and storage from the national grid continues to improve. • Collaborative effort with industry to pursue joint decarbonisation initiatives where appropriate.
Scope 3 emissions engagement by FY29	• Stable supply chain, with access to alternative suppliers if required. • Minimal changes to trade settings that could negatively impact supplier emissions. • Key suppliers meet their contractual obligations to Chorus, in relation to having Science Based Targets initiative **(SBTi)** targets in place by FY29 and providing emissions data.
Electricity reduction by FY30	• As above – this relies on similar assumptions to Chorus' scope 1 and 2 targets. • Copper withdrawal remains on track for 2030. • Supplier emission reduction commitments remain on track and technology supports Chorus' overall consumption decreasing over time. • Replacement of legacy metering equipment also proves feasible and improves electricity monitoring capacity over time.
Net Zero ambition by 2050, across scope 1, 2 & 3 emissions (Chorus to consider formalising Net Zero 2050 target in FY30)	• Continued all-fibre business model, with scope for operations simplification and emissions reduction, and timely exit from copper network enabled by regulatory settings. • Chorus' climate targets continue to reflect latest climate science and are achievable by the specified dates. • Supply chain plays its part to reduce emissions and other environmental impacts on the Chorus network. • Government maintains its Net Zero commitment with enabling Emissions Reduction Plan aligned to Paris Agreement. • Broader policy and regulatory settings consistent with pathway to Net Zero, including scope for collective industry action and innovation. • Chorus' regulatory framework enables adequate climate investment. • Chorus' climate-related expenditure framework in place by end of FY26. • Scope for carbon offsets where required in line with applicable Corporate Net-Zero Standards.

Strategy. Investment. Action.

NZ CS 1, 16(b)

To support Chorus' climate transition journey, several initiatives are underway. Key updates to information provided in Chorus' FY24 CRD are summarised below:

Climate mitigation focus

Emissions Reduction Plan: Chorus' scope 1 & 2 emissions reflect a small part of its overall emissions inventory. Over 90% of this is attributable to electricity use (scope 2). Chorus updated the modelling of its ERP in March 2025. This included aligning assumptions to our financial 10–year planning process and emission factor analysis based on sector scenarios. Chorus' scope 1 & 2 base year emissions calculations (FY20) were restated using more accurate information and subject to a limited assurance engagement by KPMG. This helps Chorus accurately track progress over time against this reference year.

In FY25, Chorus' scope 1 & 2 emissions increased, primarily due to the use of the recently published Ministry for the Environment **(MfE)** emission factors for electricity emissions.[5] This increase in emission factors was the key driver for Chorus' overall emissions increase despite a reduction in its electricity consumption (GWh).[6] Updated modelling indicates Chorus remains on track overall to reach its 62% reduction in scope 1 & 2 emissions by FY30.

Supply chain engagement: Chorus continued supply chain engagement throughout FY25, including appropriate sustainability requirements in contracts with suppliers captured by our SBTi target, as we acknowledge that scope 3 is the most material contributor to our total GHG emissions profile.[7] For our top tier suppliers, we conducted targeted engagement around emission reporting and reduction plans. In FY25, we also worked with our suppliers to assess emissions associated with key network assets to identify emissions reduction opportunities.

Energy Efficiency Programme: Chorus' energy efficiency programme was established in November 2024. Three key workstreams were set up to address electricity costs, drive efficiency and improve data and reporting. Energy efficiency opportunities have previously been incorporated into Chorus' ERP; however, in FY25 this was elevated to its own programme of work. As part of this, in FY25, Chorus commenced a new initiative to review the temperature setpoint within its exchanges to assess potential for reducing electricity consumed for cooling.

Climate adaptation focus

Identifying and managing climate-related risks and opportunities for its business is a key component of Chorus' climate adaptation work. Consideration of climate risks within Chorus' broader enterprise risk framework, supported by its dedicated climate risk reviews, is part of how Chorus plans to transition to a low-carbon, resilient business over time, and achieve progress against its targets. In FY25, the main focus was asset management.

Asset management focus: Chorus continues to develop capability in the way it manages network assets and assesses climate risk. Increasing asset management maturity enables Chorus to gain more value from asset expenditure and protect the future resilience of the network. In FY25, Chorus continued this focus, partnering with Tonkin & Taylor to develop a training plan to assist asset managers and key personnel across Network Operations, Strategy & Investment, Risk & Finance to integrate climate considerations into asset management planning, with support from the Sustainability Team.

In FY25, Chorus' annual update of climate risks and opportunities focussed on asset management. In late 2024, portfolio architects from the Technology Strategy & Architecture team participated in this review to help further integrate findings from the Telecommunications Sector Scenario analysis undertaken into asset risk assessments.

5 **https://environment.govt.nz/publications/measuring-emissions-guide-2025/** – 2025 emissions factors workbook.
6 Calculating scope 2 emissions involves multiplying activity data by an emissions factor. For entities using a location-based method, this means calculating the amount of electricity consumed by the average emission factor associated with the national NZ grid. Consequently, when looking at the means by which Chorus can reduce its scope 2 location-based emissions, the main opportunity is to reduce electricity consumption (GWh).
7 Focus of Chorus' engagement in FY25 was our top suppliers by spend, in line with our scope 3 engagement target. Additionally, sustainability requirements are incorporated into our supplier contracts as appropriate.

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Alignment of transition planning to capital deployment and funding decision making processes

NZ CS 1, 16(c)

Currently, Chorus' transition plan initiatives are aligned with capital deployment and funding decision making to the extent they are funded by standard internal capital and operating expenditure decision making processes. Chorus is working to integrate transition planning, and a sustainability focus more specifically into appropriate capital planning and investment frameworks over time, to support Chorus' transition to a low-emissions and climate-resilient future.

Key developments include:

Scenario-based financial modelling: Financial modelling against climate-related scenario analysis commenced in FY25. This provides a data-driven foundation for understanding how different climate futures could affect Chorus' capital needs, asset values, and overall financial performance over time.

IEP: Internal Emissions Price in development over FY25 (see page 19).

Energy efficiency: Energy efficiency is part of Chorus' assessment of material potential equipment purchases, and sustainability impacts continued to be considered as part of Chorus' internal 'initiative-to-market' process in FY25.

EPMO: Sustainability processes are being considered as part of Chorus' new Enterprise Project Management Office **(EPMO)** currently in development. As part of this, attention will be given to how sustainability considerations can be appropriately embedded into material business decision-making. This is intended to facilitate project delivery frameworks that recognise climate resilience and emissions reduction opportunities across project lifecycles.

Climate-related expenditure framework: Chorus has a framework in development, which continued to be refined in FY25. The framework describes how Chorus intends to account for current and anticipated financial impacts of climate change on its business and support the application of a climate lens to investment and prioritisation decisions. Further information is provided on page 13.

Long-term financial planning alignment: Anticipated sustainability-related financial impacts impacts are intended to be factored into Chorus' 10-year financial planning round from FY27 onwards. This supports robust capital forecasting and is intended to provide a foundation for Chorus' FY26 CRD regarding the anticipated financial impacts of climate change.

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Scenario analysis

NZ CS 1, 13 & NZ CS 3, 51

In 2024, Chorus contributed to the climate scenario analysis undertaken by the Telecommunications Forum (TCF)'s Climate Change Working Group. The TCF commissioned Tonkin & Taylor to prepare a climate change scenario for the telecommunications sector.[8]

Chorus' Head of Sustainability formed part of a project management team and wider stakeholder group to support and oversee the work. Management and ARMC provided oversight of the development of the climate scenarios and scenario analysis process, including having an opportunity to provide feedback on the draft scenarios prior to finalisation of the report. The scenario analysis process was conducted externally and separate to Chorus' strategy processes, although findings continued to inform internal workstreams in FY25.

Given Chorus' participation in the telecommunications sector analysis, these scenarios were adopted by Chorus and used to progress work in FY25. In particular, the scenarios were used as a basis to deepen Chorus' assessment of resilience to climate-related risks and opportunities and have informed the annual review of Chorus' climate register including mitigations and action plans. The scenario analysis also informed the preparation of Chorus' Transition Plan in FY25, including key dependencies and assumptions relevant to maintaining the resilience of the Chorus network.

Further details of the scenario analysis previously undertaken are set out on page 10.

The three climate scenarios Chorus adopted based on the above telecommunications sector scenario analysis are as follows.

1. Scenario 1: Orderly Transition (Paris Agreement aligned transition scenario)
2. Scenario 2: Hot House World (high-warming scenario)
3. Scenario 3: Disorderly Transition (additional scenario).

The Orderly Transition and Hot House World scenarios were selected to align with the 1.5C and >3C scenarios mandated by the NZCS. Disorderly Transition was selected as a third scenario as it contains a mix of physical and transition impacts that test the resilience of Chorus' business model and strategy. Shortlisted drivers, being the key factors outside of Chorus' or the telecommunications sector's control that could have the greatest influence in shaping outcomes for its sector, were identified and mapped across three climate scenarios. A select number of drivers were chosen to be 'featured' or key to the scenario narrative, while others were 'supporting'.[9]

Table 1: Telecommunications sector climate scenarios – summary of narratives

Orderly Transition	Hot House World	Disorderly Transition
Aotearoa New Zealand (NZ) and the world transitions to Net Zero by 2050 with strong policy and market changes clearly signalled by the government. Physical impacts from climate change are limited and align with the SSP1–1.9 scenario. Average global temperatures are limited to 1.5 degrees above preindustrial levels by 2050.	NZ and the world abandon Net Zero targets, and there is no national or global movement to reduce emissions. Existing policies are reversed, and fossil fuel use continues. Physical impacts from climate change are severe with annual average global temperatures rising to 2 degrees above pre-industrial levels by 2050 and 3.6 degrees by 2100 (in alignment with SSP3–7.0)	NZ and the developed world are delayed in their transition to Net Zero and continue to use fossil fuels over the short-term. This results in a steady increase in temperature and physical impacts in alignment with SSP2–4.5 (2 degrees by mid-century). By 2030, NZ and the developed world realise that urgent action is needed to reach Net Zero, which results in abrupt and poorly signalled policy and market changes.

The sector scenario analysis was produced using international and national scenario parameters, including global climate and socio-economic parameters, and NZ specific climate and transition pathways parameters.

The time horizons applied were as follows:

1. Short-term (5 years: 2030) – aligns to telecommunications organisations' emissions reduction targets (including Chorus)
2. Medium-term (15 years: 2040) – aligns with Chorus' 10–year strategic planning horizon, along with average life of electronic network equipment
3. Long-term (30+ years: 2055+) – aligns with potential materialisation of physical risks, particularly infrastructure impacts and aligns to New Zealand's 2050 Net Zero ambition.

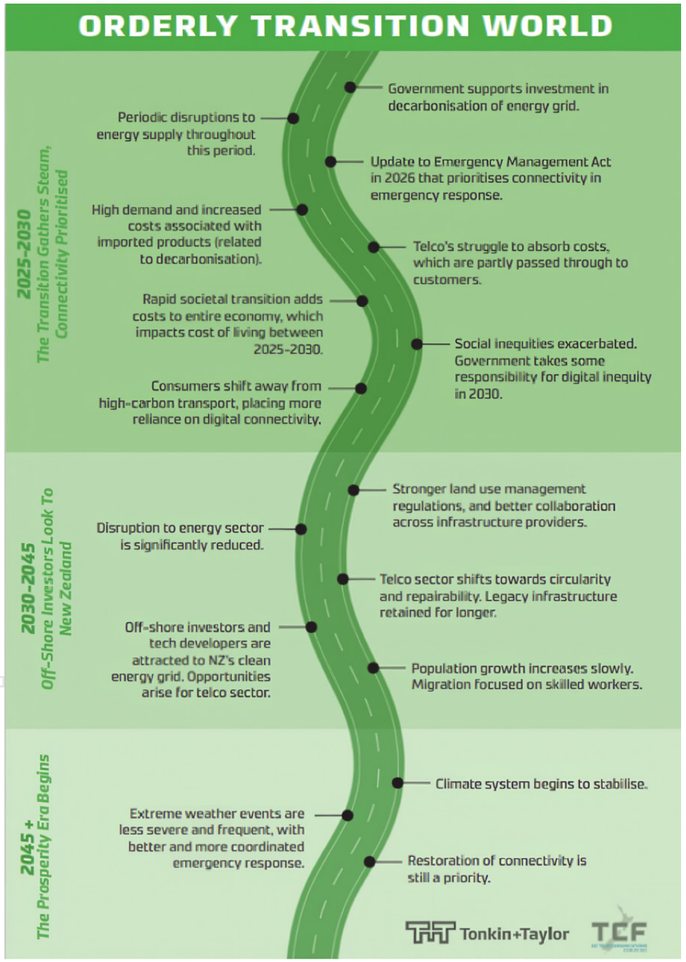
8 See Tonkin & Taylor, **Telecommunications Sector Climate Change Scenarios | NZ Telecommunications Forum (tcf.org.nz)**, dated 15 July 2024. Chorus did not conduct any independent modelling beyond that reflected in the TCF Scenarios. RCP and NIWA data sets are contained at Table 4.2 on page 20 of the Telecommunications Sector Climate Change Scenarios.

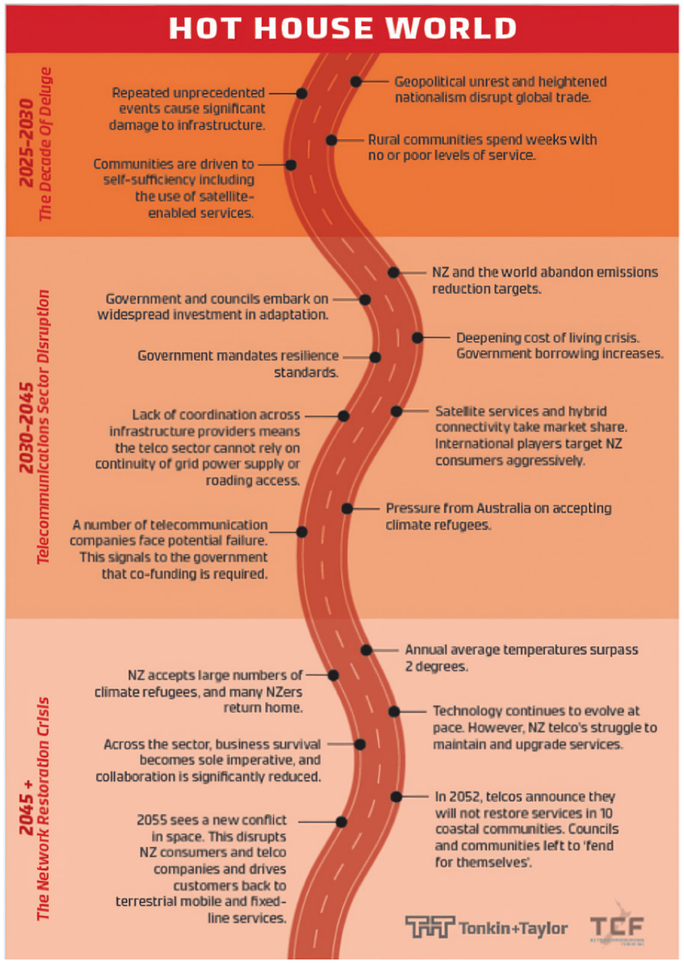
9 While carbon sequestration from afforestation, nature-based solutions and negative emissions technologies were part of the underlying SSPs used to build the scenarios, they were not shortlisted drivers, and therefore not included in the sector scenarios.

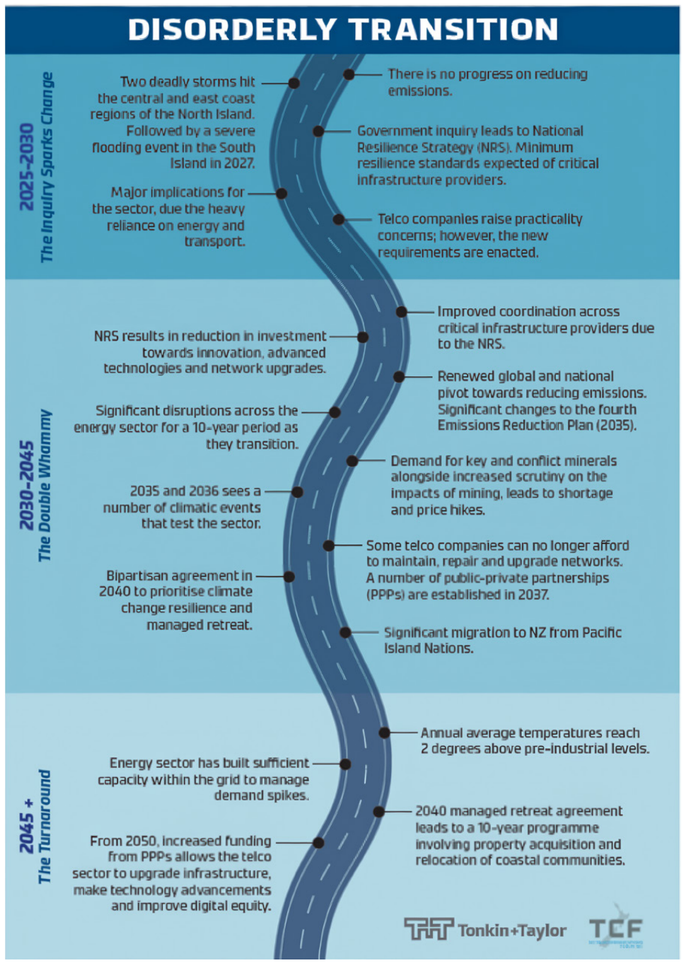
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Scenario analysis continued

The pathway assumptions for each scenario are summarised below:







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Climate risks, opportunities and impacts

NZ CS 1, 14 and 15

Chorus' climate risks and opportunities register operates within our enterprise-wide risk management framework. The register has been in place since FY23 and is reviewed annually with oversight by ARMC.

Within the wider enterprise risk management framework, potential impacts associated with climate change continued to be identified as a 'Principal risk' and 'Emerging risk' in FY25. Specifically, the risk of climate change materially impacting Chorus assets was identified as a 'Principal risk', and the risks associated with climate-driven population and migration movements impacting infrastructure demands, and the potential for polarisation of views including in relation to climate action, were identified as 'Emerging risks'.

Table 2 below describes the material climate risks and opportunities identified by Chorus in FY25, including impacts and mitigations. Primary risk and opportunity categories remain consistent with those disclosed in Chorus' FY24 CRD, with minor updates to reflect insights from our focus on asset management.

Current impacts

NZ CS 1, 12

Chorus did not experience any material impacts (including any material financial impacts) from climate change in FY25. Current impacts listed in Table 2 are all non-material for FY25 and are included for completeness to give primary users insight into the types of developments Chorus monitors for under these risk categories.

Table 2: Chorus climate-related risks, opportunities & impacts – FY25

Material risk/opportunity/type	Summary of current (FY25) and anticipated impacts	Current controls[10] and additional mitigations[11]
Risk: Increase in frequency and intensity of extreme climate-related weather events including storms, extreme wind, rainfall, drought, and wildfire. **Type:** Physical **Time horizon:** Short to medium term	**Current impact:** Minimal. Chorus experienced localised weather events in certain regions causing outages and faults in its copper and fibre networks, issuing Force Majeure notices in May and June 2025 in connection with heavy rain events in the South Island. However, the Chorus network did not suffer any significant interruptions from climate-related weather events in FY25. **Anticipated impact:** Prolonged service disruption may have a detrimental operational, financial and/or reputational impact, particularly where it impacts a large area or number of consumers (e.g. damage to key fibre routes or widespread loss of electricity). Significant damage may require replacement or relocation of assets. Extreme temperatures or cascading climate-related events could affect the ability of Chorus staff to work.	Controls: • Business continuity processes. • Force Majeure notices as required based on service company information, to inform customers of potential impacts. • Internal project codes established to track operational expenditure attributable to extreme weather events that trigger force majeure events. Mitigations: • Ongoing investment programmes to enhance network resiliency. Chorus continues to use data, mapping, and insights to assess climate impact and build network resilience, prioritising fibre uptake and copper shutdown (noting fibre is less susceptible to weather-related faults).
Risk: Insufficient electricity could lead to demand outstripping supply or energy blackouts. **Type:** Physical **Time horizon:** Short to medium term	**Current impact:** Minimal. Chorus experienced power shortfall warnings this year and outages due to weather related events, however no significant network level impacts occurred. **Anticipated impact:** Energy rolling blackouts could increase, especially during peak energy use times, which could affect the delivery of telecommunications services to customers. Could also see increased carbon emissions and increased electricity prices.	Controls: • Battery reserves at exchanges. • Diesel back-up generators. Mitigations: • Copper withdrawal and upgrading key network equipment are anticipated to reduce Chorus' electricity use significantly over the next four years. • Chorus plans to install solar PV on some exchanges as part of a multi-year programme, with installation at six trial sites completed in FY25. Further trial sites are scheduled for FY26. • Alternative back-up generation is being investigated as part of Chorus' transition planning.
Risk: Projected risk of damage to Chorus' network assets from sea-level rise or coastal flooding. **Type:** Physical **Time horizon:** Long term	**Current impact:** Nil. **Anticipated impact:** Damage to cables or buildings could affect the delivery of telecommunications services to customers.	Mitigations: • Asset impact assessments, with findings incorporated into long term asset management planning. • Chorus continues to use data, mapping, and insights to assess climate impact and build resilience across its network.

10 Control measures are here to help identify, track and respond to an existing or upcoming risk.
11 Mitigations help manage and reduce the magnitude of a risk.

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Climate risks, opportunities and impacts continued

Material risk/opportunity/type	Summary of current (FY25) and anticipated impacts	Current controls[13] and additional mitigations[14]
 **Risk:** Supply chain disruption. **Type:** Physical **Time horizon:** Medium term	**Current impact:** Nil. **Anticipated impact:** Climate-related events including increase in the frequency and intensity of severe weather patterns could disrupt supply channels, or telecommunications or network equipment could be hard to source due to material shortages, particularly where Chorus relies on international suppliers	Mitigations: • Completion of the UFB network roll-out reduces Chorus' reliance on large equipment volumes associated with intensive build activity. • Supply chain management enables contingency measures such as holding critical network spares and supplier held stock to support the ongoing operation and maintenance of the Chorus network and future growth. • Chorus' transition to an all-fibre business, by 2030, also means reduced need for copper equipment replacement. • Chorus conducts supplier analysis and engagement based on the geographic location of key supplier facilities as part of monitoring our supply chain. Suppliers are generally geographically diverse many with multiple manufacturing locations which provides some mitigation. Business continuity processes also respond where a key supplier is likely to be materially impacted.
 **Risk:** Insufficient priority on, and investment in, climate mitigation and adaptation. **Type:** Transition **Time horizon:** Short to medium term	**Current impact:** Nil. There has been no impact arising from insufficient investment in FY25. Chorus has an emissions reduction target for scope 1 & 2 emissions, along with a supporting ERP. Key activities include energy efficiency, energy reduction and switching to EV/Hybrid fleet. Investments to support Chorus achieving its target are already in the 10–year financial plan. Chorus has a resiliency strategy in place. **Anticipated impact:** Potential increase in unplanned capital expenditure for frequent and extensive service and network restoration activities. Regulatory framework could see insufficient future allowances for weather related expenditure or asset investment.	Mitigations: • Climate-related expenditure framework in development. • Regulatory engagement to maximise allowances in future Chorus price-quality regulatory periods.
 **Risk:** Government policy & regulation restricts Chorus' ability to act. **Type:** Transition **Time horizons:** **Commerce Commission expenditure allowance constraints:** Medium term **Broader legislative and policy changes:** Medium to long term	**Current impact:** Minimal. Chorus' price-quality regulatory regime is well understood and managed by the business. **Anticipated impact:** The Commerce Commission or the New Zealand Government could limit Chorus' ability to invest in climate mitigation or adaptation, or mandate requirements that are unanticipated and/or problematic for the business. For example, insufficient future expenditure allowances for asset management, resilience, and adaptation planning, could result in Chorus needing to deprioritise climate resilience initiatives in favour of core activities, including to ensure service quality standards are met. More broadly, Government could mandate 'over-investment' requirements where this is deemed necessary to provide climate futureproofing or avoid a disorderly transition scenario. Depending on the scale and timing of such requirements, and the extent of alignment to Chorus' existing strategy and investments, such requirements could result in a low return, and redirect focus from core activities.	Mitigations: • Chorus monitors and inputs into proposed legislative and policy changes that might impact its business. • Chorus has strong relationships with policymakers and Government stakeholders. Timeframes for significant regulatory change are typically long, so there's time to respond. Chorus monitors, and attempts to influence, any broader policy and regulatory developments that could affect its business and pursuit of climate-resilience initiatives. • Through Chorus' regulatory engagement and expenditure forecasting processes with the Commerce Commission, Chorus works to secure appropriate expenditure allowances.
 **Risk:** Economic and social risks. **Type:** Transition **Time horizon:** Medium term	**Current impact:** Minimal. **Anticipated impact:** Physical or transitional climate impacts could widen the digital divide for low socio-economic communities and reduce access to telecommunications services. The need for managed retreat from low-lying areas could exacerbate inequality.	Mitigations: • In FY25 Chorus launched the Whiria Te Aka Matihiko programme, which aims to provide access to affordable broadband and digital skills education. • Chorus continues to monitor this area – for further information please see Chorus' FY25 Sustainability Report.
 **Opportunity:** Renewable energy self-generation. **Type:** Opportunity – Transition and Physical **Time horizon:** Short to medium term	**Current impact:** Minimal, pending feasibility assessment. Electricity continues to be Chorus' largest source of scope 1 & 2 carbon emissions (based on the location-based method) at 7,233 tCO_2e[12] in FY25. Continuity of supply is key to maintaining its services, which requires uninterrupted electricity supply. **Anticipated impact:** Generating its own renewable electricity and having the ability to potentially store electricity on-site could strengthen both Chorus' resilience and that of local communities in the event of extreme weather events, whilst supporting emission reductions and guarding against volatile electricity prices.	Progress: • In FY25 Chorus completed the installation of roof mounted solar PV build on six trial exchange buildings to evaluate the feasibility of self-generation. Further to these early steps, Chorus has additional trial site installations planned for FY26, following which it will evaluate findings. • Chorus continues to monitor for emissions reduction opportunities to reduce its overall footprint and increase security of supply.

12 Tonnes of carbon dioxide equivalent.
13 Controls are here to help identify, track and respond to an existing or upcoming risk.
14 Mitigations help manage and reduce the magnitude of an existing or upcoming risk.

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Climate risks and opportunities as an input into capital deployment

NZ CS 1, 14(c)

Chorus continued to develop a climate-related expenditure framework in FY25. This is designed to confirm the robustness of our arrangements to support climate-related expenditure where required in future, and climate considerations being factored into appropriate investment and prioritisation decisions.

As part of this, our focus is on material climate-related risks and opportunities, and facilitating capital investments that contribute to long term-environmental and operational resilience.

Chorus' climate risks and opportunities register incorporates insights from its asset management planning processes and helps prioritise deployment of capital where relevant. For example, in FY24 climate network asset assessment served as an input into Chorus' 10-year business plan and regulatory proposal for our second regulatory reporting period **(RP2)**. This reflects Chorus' current approach, whereby climate risk and opportunity considerations inform funding discussions in some circumstances, where there is a relevant climate lens to be applied.

Chorus is working to factor anticipated climate impacts into its financial planning rounds, to support robust capital forecasting and meet NZ CS 1 requirements to disclose anticipated financial impacts of climate change. Chorus is also considering how best to align the treatment of capital and operational expenditure attributable to climate events, which will also inform climate-related capital deployment strategy and future CRD.

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Targets

NZ CS 1, 23

Chorus' climate targets are a key part of its Sustainability Strategy and reflect Chorus' ongoing focus on decarbonisation and minimising environmental impact. Chorus has reported on its emissions reduction targets in sustainability reporting since FY21, and in CRD since FY24.

These targets were validated by the SBTi in 2024 as being aligned to international guidance on keeping global warming within 1.5 degrees.[15]

Chorus has an absolute scope 1 & 2 target and a scope 3 engagement target (as described in the below table) which align with the detail provided by the SBTi in the guidance for ICT Companies;[16] and neither target relies on offsets.

Table 3: Summary of Chorus' climate targets as at FY25

Thriving environment			
Ambition	**Targets / outcomes**	**Progress**	**Supporting initiatives**
Chorus has decarbonised and accelerated its journey to be Net Zero by 2050	**Verified science-based target – scope 1 & 2 emissions reduction:** Reduce absolute scope 1 & 2 emissions 62% by FY30 against a FY20 base year[17] (using location-based method).	**FY20**: 10,536 tCO2e **FY24**: 6,387 tCO2e (39% reduction) **FY25**: 7,877 tCO2e (25% reduction)	Emissions Reduction Plan: • Scope 1: Proactive aircon maintenance has delivered a reduction in refrigerant leaks. • Scope 2: Reduced electricity consumption (by 4.8%). Scope 2 emissions have increased due to the 39% increase in the MfE emissions factor.[18] • Note: Chorus' prior sustainability reports describe scope 1 & 2 emissions since the base year for its emissions reduction target (FY20).[19]
	Electricity reduction goal: Reduce electricity use by 25% against FY20 baseline by FY30, with interim milestone to reduce electricity use by 15% against FY20 baseline by FY25.	**FY20**: 80.4 GWh **FY24**: 75.1 GWh **FY25**: 71.5 GWh – 11.1% reduction achieved from **FY20** to **FY25**	• Short term goal of 15% reduction by FY25 not met, chiefly due to prioritisation decisions resulting in certain copper and optimisation initiatives being postponed. However, the restatement of our base year also played a role. • However, ERP modelling and copper withdrawal planning indicates Chorus' longer range target of 25% electricity reduction by FY30 remains on track.
	Verified science-based target – scope 3 engagement: Scope 3 engagement goal with 70% of suppliers by spend to have a science-based target by FY29.	**FY24**: 30%[20] **FY25**: 43%	• Planning for contract renewals and new tenders to include requirement for SBTi target commitment. • Sustainability team engagement with top suppliers underway.
	Chorus vehicle fleet reduction goal: 100% EV or hybrid fleet by the end of FY28.	**FY23:** 30% **FY24:** 37% **FY25:** 56%	• Chorus continues to reduce its fleet whilst meeting operational needs. • In FY25 five vehicles were replaced with Hybrid and EV alternatives.

15 https://sciencebasedtargets.org/target-dashboard.
16 Science Based Targets initiative, Information and Communication Technology (ICT) sector specific guidance, **Guidance for ICT companies including fixed line operators**.
17 During FY25 Chorus restated its base year (FY20) scope 1 & 2 emissions. The restated emissions were subject to a limited assurance review by KPMG. The restated numbers were not materially different to previously disclosed numbers in Chorus' historical **sustainability reports**.
18 Ministry for the Environment - 2025 Emissions Factors Workbook (summary of changes) **https://environment.govt.nz/publications/measuring-emissions-guide-2025/**.
19 **Chorus' sustainability reports** describe scope 1 & 2 emissions over FY20-FY23. As above, Chorus engaged KPMG to perform a limited assurance engagement over its restated FY20 scope 1 & 2 emissions, included in Table 3 above, however FY21–FY23 data included in the sustainability reports are not assured.
20 This represents the percentage (%) of Chorus suppliers who have already set a Science Based Target (SBTi).

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Metrics

NZ CS 1, 22

GHG Emissions Inventory

NZ CS 1, 22(a), 24

Table 4 provides an overview of Chorus' scope 1 & 2 emissions against base year. Table 5 provides Chorus' total Greenhouse Gas emissions for FY24 and FY25. To review the details of the calculation methods, data quality and uncertainty and other information, please refer to **Appendix 4.**

KPMG was engaged to carry out a limited assurance review of Chorus' GHG scope 1, 2 & 3 Emissions Inventory for the reporting period (1 July 2024 to 30 June 2025) as required by NZ CS 1. KPMG's limited assurance opinion is attached as **Appendix 5.**

Table 4: Chorus' GHG emissions (scope 1 & 2) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

Scope / Category	FY20 (base year)	FY24	FY25
SCOPE 1 (totals)	**962**	**913**	**644**
Stationary combustion *Includes Diesel generators and Natural gas*	279	340	401
Fugitive emissions	479	442	112
Mobile Combustion	203	131	131
SCOPE 2 - (totals – location based)	**9,574**	**5,474**	**7,233**
SCOPE 1 & 2 TOTALS	**10,536**	**6,387**	**7,877**

Table 5: Chorus' GHG emissions (all scopes) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

Scope / Category	FY24	FY25
SCOPE 1 (totals)	**913**	**644**
Stationary combustion *Includes Diesel generators and Natural gas*	340	401
Fugitive emissions	442	112
Mobile Combustion	131	131
SCOPE 2 – (totals – location based)	**5,474**	**7,233**
Electricity Location based	5,474	7,233
Electricity Market based[21]	604	903
SCOPE 3 (totals)	**45,939**	**42,249**
Category 1 & 2 – Purchased goods and services & Capital goods (spend based)	24,337	22,398
Category 1 & 2 – Purchased goods and services & Capital goods (supplier-specific data)	11,470	8,410
Category 3 – Fuel and energy use *Includes T&D Losses and WTT from fuel use*	3,736	3,213
Category 4 – Upstream Transportation and distribution	929	822
Category 5 – Waste generated in operations	13	11
Category 6 – Business travel *Includes air travel, accommodation, taxis, rental car, mileage claims and EV charging*	513	497
Category 7 – Employee commuting *Includes employee commuting and working from home*	323	325
Category 11 – Use of sold products[22]	3,883	5,718
Category 13 – Downstream leased assets	735	855
SCOPE 1, 2 (location based) & 3 totals	**52,326**	**50,126**

21 Scope 2 market based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.

22 According to the **GSMA GeSI scope 3 guidance for telecommunications operators**, ONT could be reported either in Category 11 or Category 13. It is noted that according to the Greenhouse Gas Protocol Value Chain standard, Category 11 should report on emissions using lifetime emissions. After careful consideration, internal discussion and external comparison of industry best practice, Chorus decided to report the ONT emissions under category 11 for consistency with the telecommunication industry without applying the lifetime reporting requirements as Chorus has access to more accurate information (actual annual electricity consumption until the ONT is disconnected).

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Metrics continued

Consolidation approach and standards

NZ CS 1, 24(a)-(c)

Consolidation approach: In measuring GHG emissions, Chorus uses an operational control consolidation approach (as defined by the GHG Protocol) that includes Chorus New Zealand Limited only, as the operating company and sole subsidiary of its parent company, Chorus Limited.

GHG emissions standards: Chorus' GHG emissions have been measured in accordance with:

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard[23]
- Greenhouse Gas Protocol – scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard[24]
- Greenhouse Gas Protocol – Corporate Value Chain (scope 3) Accounting and Reporting[25]
- Greenhouse Gas Protocol – Technical Guidance for Calculating scope 3 Emissions.[26]

Other guidance used:

- ISO 14064–1:2018 – Greenhouse gases Part 1
- GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – Scope 3 Guidance for Telecommunication Operators[27]
- Ministry for the Environment – Measuring emissions: A guide for organisations.[28]

Source of emission factors and GWP rates: Chorus reports its GHG emissions in tonnes of CO_2 equivalents (tCO_2e). As part of its reporting, activities contributing to all relevant seven Kyoto Protocol gases were considered: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) in compliance with the requirements set by the GHG emissions standards listed above.

All purchased and generated energy emissions are dual reported[29] using both location based and market based methods.

The sources of emissions factors and associated Global Warming Potential (GWP) rates for Chorus' emissions are:

- New Zealand Ministry for the Environment's 2025 Guidance for Voluntary Greenhouse Gas Reporting
- Business, Energy & Industrial Strategy (BEIS) Formerly, Department for Environment, Food, and Rural Affairs (Defra) (UK) – Greenhouse gas reporting: conversion factors 2023
- Thinkstep anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024[30]
- Bravetrace residual supply factor for Market based reporting.[31]

The emission factor sources are based on global warming potentials (GWPs) varying from AR5–AR6. The latest MfE emission factor publication updated the GWP values to align with the requirements for GHG inventory reporting under the Paris Agreement.[32]

It is a requirement under ISO14064–1:2018 and the Greenhouse Gas Protocol to consider, assess and disclose the uncertainty associated with a Greenhouse Gas Inventory. The nature of GHG emissions inventory reporting means there will always be a level of uncertainty, especially within scope 3. To minimise this uncertainty, source data has been used where possible. Where uncertainty exists or source data is unavailable, a conservative estimation approach has been taken. Where emission factors are historical (i.e. Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024), an adjustment for inflation has been applied.

Estimates and uncertainties have been disclosed in **Appendix 4**, in alignment with the applicable standards.

23 Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
24 Greenhouse Gas Protocol - Scope 2 guidance – https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf.
25 Greenhouse Gas Protocol – Corporate Value Chain (scope 3) Accounting and Reporting.
26 Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 Emissions.
27 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – scope 3 Guidance for Telecommunication Operators, 2023.
28 Ministry for the Environment – Measuring emissions: A guide for organisations.
29 Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts.
30 Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v1.1 May 2024.
31 Bravetrace, Residual Supply Mix factor publication, FY25.
32 As agreed in decisions 18/CMA.1 and 5/CMA.3, parties to the Paris Agreement are required to use the 100-year time horizon GWP (GWP100) values, as listed in table 8.A.1 of the Fifth Assessment Report (AR5) of the IPCC, excluding the value for fossil methane.

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Metrics continued

Exclusions

NZ CS 1, 24(d)

Specific emission sources have been identified and excluded from Chorus' GHG emissions calculation in FY25. These sources are either not applicable to Chorus' operations or are relevant but are either not material in the context of the GHG inventory (less than 5% of overall emissions), not material to stakeholders, and/or not technically feasible or cost effective to be quantified at present.

Table 6: Exclusions

Scope/category	Greenhouse emission source or sink	Reason for exclusion	Est. size of exclusion tCO_2e	% of total inventory
Scope 3/Category 1 Scope 3/Category 1	Purchased goods and services Capital goods	Chorus' top 105 suppliers provided coverage for 96% of its corporate spend. The remaining 4% of spend consists of a high volume of low value suppliers. Noting the extensive work that would be required to estimate emissions for these suppliers, and their low business impact given their individual dollar value, Chorus has assessed these as immaterial.	2,012	4.01%
Scope 3/Category 4 Scope 3/Category 9	Upstream transportation and distribution Downstream transportation and distribution	Chorus has conducted spend based estimate testing and the potential additional freight has been assessed as immaterial.	220	0.44%
Scope 3/Category 8	Upstream leased assets	Chorus does lease some assets, but these emissions are accounted for within its scope 1 & 2 respectively.	n/a	n/a
Scope 3/Category 10	Processing of sold products	This category includes the further processing of intermediate products (e.g. material, component) sold to downstream companies and is normally not considered relevant to telecommunication operators.[33]	n/a	n/a
Scope 3/Category 12	End of life treatment of sold products	Inclusion of end-of-life treatment of sold goods is particularly challenging with regards to lacking access to accurate data, need for assumptions about end-of-life preferences of customers, low accuracy of supplier emission factors and limited availability of country specific data.	n/a	n/a
Scope 3/Category 14	Franchises	Chorus does not have any franchises.	n/a	n/a
Scope 3/Category 15	Investments	Chorus does not have any relevant investments.	n/a	n/a

33 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T), Scope 3 Guidance for Telecommunication Operators, 2023.

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Metrics continued

NZ CS 1, 22

Emissions intensity

NZ CS 1, 22(b)

Chorus monitors emissions intensity against the amount of data transmitted across its network in petabytes (PB). As the amount of data transmitted on its network steadily increases as more people and devices connect, its emissions intensity decreases. While this is not a formal target, Chorus aims to achieve and maintain an emissions intensity of under 1 (tCO_2e/PB).

Chorus calculates the emission sources in the intensity calculation using scope 1 & 2 emissions only. Chorus chose a per petabyte measure as this measure is the most relevant to its business. Additionally, Chorus reports on scope 1, 2 & 3 per million dollars of revenue as it is the most relevant intensity measure when covering all scopes.

Table 7: Scope 1 & 2 GHG emissions intensity (tCO_2e / PB)

Financial year	Data traffic (PB)	Scope 1 and 2 (tCO_2e)	Emissions intensity (tCO_2e/PB)
FY24	7,978	6,387	0.80
FY25	**8,741**	**7,877**	**0.90**

Chorus' emissions intensity increased in FY25, despite remaining within its intended range of <1 (tCO_2e/PB). This was due to the change in emissions factors noted above which increased our overall emissions profile, despite there being more data traffic on the network.

Table 8: Scope 1, 2 and 3 GHG emissions intensity per million-dollar revenue (tCO_2e/M$)

Financial year	Million-dollar revenue (M$)	Scope 1, 2 and 3 (tCO_2e)	Emissions intensity (tCO_2e/M$)
FY24	1,010	52,326	51.81
FY25	**1,014**	**50,126**	**49.43**

Transition risks

NZ CS 1, 22(c)

Consistent with its FY24 CRD, Chorus conservatively estimates that all our business activities are vulnerable to climate-related transition risks to some degree. These include risks related to the transition to a low-emissions, climate-resilient global and domestic economy such as policy, legal, technology, market, and reputation changes.

As a regulated entity, Chorus is subject to price-quality regulation set by the Commerce Commission. If the Commission provides insufficient future allowances for asset management practices, resilience, and adaptation planning, this could result in Chorus needing to deprioritise climate resilience initiatives in favour of core activities and maintaining compliance (with for example Chorus' quality standards). Chorus continues to manage exposure to this risk by monitoring regulatory change, and advocating for appropriate regulatory outcomes, for both its fibre and copper networks.

Physical risks

NZ CS 1, 22(d)

Chorus' assessment of network assets vulnerable to physical climate-related risk similarly is consistent with our FY24 CRD.[34] Aon's assessment of the exposure of Chorus' assets to climate change undertaken in FY23 remains the best available proxy measure for vulnerability to physical risk at this time. Aon's assessment used two global emissions scenarios: moderate (SSP2–4.5) and high (SSP5–8.5) to 2040 and 2090.

In summary, their assessment showed:

- Fluvial flooding poses the greatest exposure to Chorus' assets, in particular other exchange/access sites.
- Fluvial flooding includes rivers and streams breaking their banks resulting in water ingress into adjacent low-lying areas.
- 11% of those sites would potentially face high to very high exposure under the two global emissions scenarios used by Aon in its FY23 assessment of the exposure of Chorus' assets. 23% would potentially face some exposure (very low to very high), which reflects current day levels.

Further details of Aon's findings by asset type are set out on page 40 of Chorus' FY24 climate statements.[35] With the planned retirement of its copper network, Chorus' asset exposure has begun to reduce as we exit legacy network sites and retire utility assets such as poles and cabinets. Climate mitigation and adaptation assessments have been applied to portfolio asset management plans to build on Aon's work, and further analysis of network asset vulnerability against key climate hazards is planned to continue.

Climate-related opportunities

NZ CS 1, 22(e)

Chorus' main area of climate-related opportunity in FY25 was trialling new ways to generate our own renewable energy.[36]

Solar: Chorus completed roof mounted solar PV on six trial sites in FY25. Further sites are planned to be added to trial scope in FY26 as part of its ongoing feasibility assessment. Data from trial sites is essential to evaluating the future viability of solar to Chorus and potential future programmes of work. The trial is intended to cover approximately 1% of suitable exchange sites. In FY24, our efforts were focused on preparation for trial commencement, as described on page 41 of our FY24 CRD.

Capital deployment

NZ CS 1, 22(f)

In FY25, Chorus' total capital expenditure towards climate-related risks and opportunities was <$1 million and related primarily to managing the impacts of severe weather events on our copper and fibre networks, generator use for power outages and for its solar trial programme. This was in addition to operating expenditure on climate-related initiatives including engaging consultants to support transition planning work. Overall capital expenditure in FY25 did not meet Chorus' quantitative materiality financial threshold, consistent with Chorus not experiencing any material impacts from climate change this year.

By contrast, in FY24 Chorus' capital expenditure towards climate-related risks and opportunities was approximately $4.2 million.[37] A significant portion of this was attributable to managing the residual impacts of Cyclone Gabrielle on our copper and fibre networks.

34 Chorus has chosen to report exposure as that is the metric for which it had reliable data available in FY25.
35 Chorus, FY24 climate statements, page 40 – Table 10, Chorus network exposure to climate change.
36 While withdrawal of the copper network was noted as a climate-related opportunity in its FY24 CRD, Chorus did not recognise it as a material climate-related opportunity in FY25. Accordingly, Chorus has not provided comparatives in relation to this programme.
37 The ~$4.2 million total resulted from managing the impacts of Cyclone Gabrielle on Chorus' networks (~$3.3 million) and the rollout of two Mobile Exchanges on Wheels (MEOWs) at a total cost of ~$915,000, as noted in page 41 of Chorus' FY24 climate statements.

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Metrics continued

Internal Emissions Price

NZ CS 1, 22(g)

In FY25, Chorus set an interim internal emissions "shadow" price of $140/tCO2e for the first time. Other options were considered, with an interim decision made to adopt, test, and iterate this as a shadow pricing mechanism from FY26. The figure reflects advice released by the Climate Change Commission and Chorus' consideration of international guidance and comparable sector approaches.

Chorus also established an Internal Emissions Committee in FY25. Its purpose is to oversee Chorus' approach to internal emissions pricing and help facilitate integration across the business in a way that aligns with Chorus's climate targets, strategic and regulatory settings. By exploring scope to integrate the cost of carbon into appropriate business decisions over time, it aims to drive innovation and support decision-making.

Remuneration

NZ CS 1, 22(h)

All Chorus Executives have a strategy execution (company scorecard) KPI, which includes components relating to implementation of Chorus' sustainability plan and reducing emissions. As part of this, specific electricity consumption reduction targets are in place for each financial year. These KPIs are taken into account along with other KPIs when assessing Executive performance and remuneration. This approach is consistent with FY24.

Certain members of Chorus' Executive also have KPIs linked specifically to the execution of its Sustainability Strategy, including Chorus' Executive General Manager – Frontier as the executive responsible for Chorus' sustainability programme from late FY25.

Other industry-based metrics

NZ CS 1, 21(b)-(c)

Chorus is not aware of any other industry-based metrics used to measure and manage climate-related risks and opportunities in the reporting period.

Climate governance

Identity of the governance body and governance body oversight

NZ CS 1, 7(a)

The Chorus Board continues to oversee Chorus' strategy, risk management and governance frameworks, with primary oversight of climate response provided by the ARMC. There were no material changes to governance arrangements in FY25. The Board's delegation of certain functions to Board Committees is set out in Committee Charters. The Board's responsibilities include:

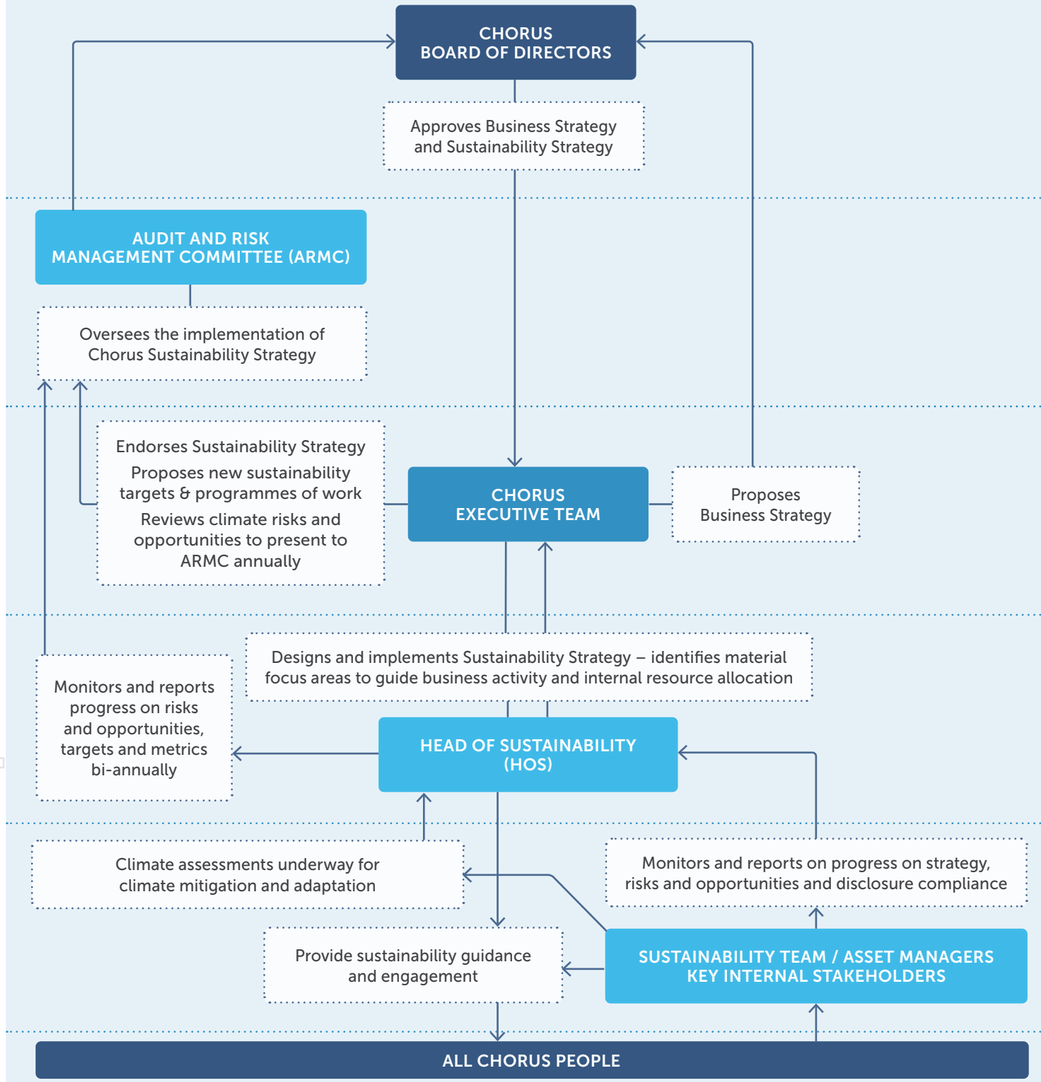
- monitoring the effectiveness of Chorus' sustainability governance policies and practices, including satisfying itself that an appropriate framework exists for information to be reported by management to the Board;
- approving Chorus' Sustainability Strategy; and
- overseeing the social, ethical, and environmental impact of Chorus' activities.

The ARMC has been delegated responsibility to oversee climate-related risks and opportunities, and oversees and monitors progress in relation to the implementation of Chorus' climate strategy and the preparation of CRD. The ARMC's work underpins the Board's strategic oversight of Chorus' sustainability performance.

This year, Chorus completed an organisation restructure to support Chorus' new 'Road to 2030' strategy noted above. The changes did not materially impact climate governance and risk management.

Climate governance structure chart FY25

NZ CS 1, 9(b)



Organisation Chart and Information flow	Regularly (monthly to quarterly)	Annually / Biannually	As required
CHORUS BOARD OF DIRECTORS	• As part of its broader leadership and oversight role, oversees the social, ethical and environmental impact of Chorus' activities.	• Reviews sustainability progress (including targets) annually.	• Sets the business strategy.
AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC)	• Oversees and monitors progress in the implementation of Chorus' Sustainability Strategy and compliance with the CRD regime.	• Reviews climate-related risks and opportunities (annually). • Reviews Chorus' climate-related disclosures compliance and recommends climate statement for approval by Board (annually).	
CHORUS EXECUTIVE TEAM	• Provides sustainability leadership within Chorus.	• Monitors progress against the Sustainability Strategy (bi-annually). • Reviews any new sustainability targets proposed by the Head of Sustainability (annually). • Reviews climate related risks and opportunities. • Receives a general sustainability progress report (bi-annually).	• Proposes the business strategy for Board endorsement. • Reviews any new sustainability targets proposed by the Head of Sustainability. • CEO reviews Sustainability Policy.
HEAD OF SUSTAINABILITY (HOS)	• Designs and implements the Sustainability Strategy.	• Reports on sustainability progress to Executive, ARMC and Board (bi-annually).	• Proposes Sustainability Strategy, targets, goals and programmes of work to CEO and executive team. • Communicates Sustainability Strategy and progress with key stakeholders. • Reviews Sustainability Policy.
SUSTAINABILITY TEAM / ASSET MANAGERS KEY INTERNAL STAKEHOLDERS	• Work across Chorus to improve sustainability performance and integrate sustainability initiatives into the business. • Develop and communicate quarterly emission reduction dashboards to senior leaders (executive members and their direct reports). • Provide input into sustainability programmes and activities to help us progress towards our targets.	• Review the climate-related risks and opportunities register (bi-annually). • Assess climate mitigation and adaptation risks and mitigations and incorporate into asset management plans and financial planning as appropriate.	• Inputs into the Chorus sustainability strategy and targets as required.
ALL CHORUS PEOPLE	Aware of Sustainability Strategy, support execution of sustainability priorities and consider sustainability impacts in decision making, where applicable.		

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Climate governance continued

Climate reporting processes and frequency – governance body

NZ CS 1, 8(a)

Chorus' dedicated climate-related risks and opportunities register is updated every six months by the Sustainability Team and reviewed and endorsed by the ARMC at least annually. The ARMC meets four times a year (including in FY25), with all directors welcome to attend, and receives climate-related updates from the Head of Sustainability at those meetings.

A broader sustainability update (including environmental and social/digital equity initiatives and progress updates) is provided at least annually to the Board by the Head of Sustainability. One update was provided in FY25. The ARMC also approved the process for the preparation of Chorus CRD again in FY25, supported by advice from external advisers, and reviewed and approved Chorus' FY24 climate statements.

Climate skills and competencies

NZ CS 1, 8(b)

Chorus continues to use a skills matrix to ensure directors have an appropriate range of skills and competencies.[38] Directors build sustainability and climate expertise through ongoing education, training from external experts, and engagement with the Sustainability Team. This complements directors' broader skills and competencies maintained across related disciplines such as governance, regulation, and infrastructure.

In FY25, climate-related Board education focused on transition planning, facilitated by external consultants. Sustainability and climate governance expertise also continue to be a consideration when recruiting new directors.

Consideration of climate-related risks and opportunities in Chorus' strategy

NZ CS 1, 8(c)

The Board sets Chorus overall strategy. In FY25, climate-related considerations sat under the 'Thriving Environment' element of Chorus renewed organisational strategy. Strategic priorities for 'Environment' are set out in the strategy section above. Key focus areas identified in working towards a thriving environment are also captured in Chorus' Sustainability Policy, which is approved by Chorus's CEO and updated periodically. These include identifying and managing climate-related risks, implementing and maintaining an emissions data and reporting system, disclosing annual GHG emissions, identifying and innovating to create a sustainable value chain, and reducing energy, and emissions.

As noted above, Chorus Sustainability Strategy was updated in FY25. The Sustainability Team prepared the updated strategy, with help from the Strategy and Enterprise Performance team, as part of Chorus' overall strategy setting process, taking climate-related risks and opportunities into account to help set strategic priorities and workstreams. This involved reviewing Chorus' current sustainability settings and international trends and engaging with a range of stakeholders. The new strategy was then reviewed by the Executive and approved by the Board for implementation. Implementation of workstreams under the strategy is primarily overseen by the ARMC. Climate-related risks and opportunities also help inform Chorus' ERP and business considerations of new capital requests, predominantly as part of physical network and asset management planning. The Executive team, Board and ARMC receive annual updates on progress against the Sustainability Strategy from the Head of Sustainability.

Setting and overseeing climate targets and metrics

NZ CS 1, 8(d)

Chorus' science-based climate targets were designed by the Head of Sustainability, approved by the CEO, and noted by the Board. These are the building blocks for Chorus' Sustainability Strategy and are supplemented by key initiatives. Monitoring and reporting is delegated to the Head of Sustainability. Chorus' other climate-related targets noted in Table 3 above were also designed by the Head of Sustainability, endorsed by the Executive team and noted by the Board.

The Head of Sustainability reports to the Board annually on progress against targets and any focus areas for the coming period and provides the ARMC with periodic updates on climate-related workstreams.

As explained above, implementation of Chorus' Sustainability Strategy is incorporated within Executive KPIs, including a specific electricity use reduction target. These KPIs are taken into account when assessing Executive performance and remuneration. The Chorus Board oversees achievement of metrics and targets through reports from the ARMC, sustainability updates, and the annual performance review process for the CEO. The CEO's performance is reviewed by the People, Performance and Culture Committee each year, which makes recommendations to the Board in respect of key performance objectives.

38 See page 73 of Chorus' FY25 Annual Report.

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Management's role

Chorus management's role in assessing and managing climate risks and opportunities

NZ CS 1, 9(a)

The Board delegates management responsibility for Chorus' risks and implementing Chorus' strategy to the CEO. The CEO further assigns responsibility to relevant members of the Executive. The Executive and their teams are given appropriate guidelines for the day-to-day management of risk, including climate risk where applicable, through Chorus' Managing Risk Policy and Sustainability Policy. See further details of Chorus' climate risk management framework below.

Delegation of climate-related responsibilities within Chorus

NZ CS 1, 9(a)

Chorus' Head of Sustainability leads the internal Sustainability Team, coordinates the Sustainability Strategy, climate targets and programmes of work, as well as reporting to the Executive, ARMC and Board on sustainability progress.

The Sustainability Team works across Chorus within a cross-functional 'sustainability network' that aims to improve sustainability performance and integrate sustainability considerations into day-to-day business planning and strategy, risk management, processes, and culture. The Head of Sustainability reports to the Executive General Manager – Frontier.[39]

The Assistant General Counsel for Regulation, Risk & Compliance (**RR&C**) is responsible for enterprise-wide risk assessment and management, including the incorporation of risks into Chorus' risk register and reporting to the CEO, Executive, ARMC and Board.[40] The Assistant General Counsel RR&C reports to the General Counsel.

Risks are assigned to relevant members of the Executive responsible for their management and mitigation. For example, the Chief Technology Officer is responsible for technological and operational risks related to Chorus' nationwide physical network. The CEO and Executive hold collective responsibility for considering how risks and events may interrelate across categories, and for managing Chorus' overall risk profile. Mitigation measures include planning for network deployment and protection, as well as ongoing maintenance and fault management. The Head of Sustainability and executive for Sustainability (Executive General Manager – Frontier) share the climate-related risks and opportunities with the ARMC annually, and broader sustainability updates are provided to the ARMC and Board at least annually.

Climate reporting processes and frequency – management

NZ CS 1, 9(c)

Chorus' Executive members review the management of climate-related risks and opportunities assigned to their areas of the business annually, as well as ensuring key decisions take risk factors into account and are consistent with the Board's risk appetite. Climate-related risks and opportunities were reviewed by the full Executive in FY25 and endorsed by the ARMC.

The Head of Sustainability updates the Executive during the year on progress against sustainability targets and discusses new strategy initiatives ahead of those being presented to the ARMC. During FY25, four updates were provided to Executives on the climate-related risks and opportunities (including the risk framework), transition planning, Chorus' Sustainability Strategy refresh and general sustainability and climate-related disclosure workstreams. Emissions Reduction dashboards are included in the quarterly financial report presented to the Executive team. Sustainability and climate considerations are also embedded into different operational workstreams at Chorus, such as our 'initiative-to-market' process.

39 FY24 arrangements continued until this new reporting line took effect in June 2025.
40 FY24 arrangements continued until this new reporting line took effect in June 2025.

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Risk Management

Chorus' risk management frameworks allow us to proactively manage risk. The climate risk and opportunity framework that applied in FY25 remains aligned and integrated into Chorus' enterprise-wide risk framework.

The climate risk and opportunity framework uses the same approach, principles, tolerances, impact, and likelihood scales used in Chorus' broader risk management processes, and in line with the Managing Risk Policy endorsed by the Board.

Chorus enterprise-level risk management process

NZ CS 1, 17 and 18

Enterprise risk management is a process applied to identify potential elements that may impact Chorus' ability to achieve its strategic objectives, and ensure risks are managed within the relevant risk appetites set by the Board.

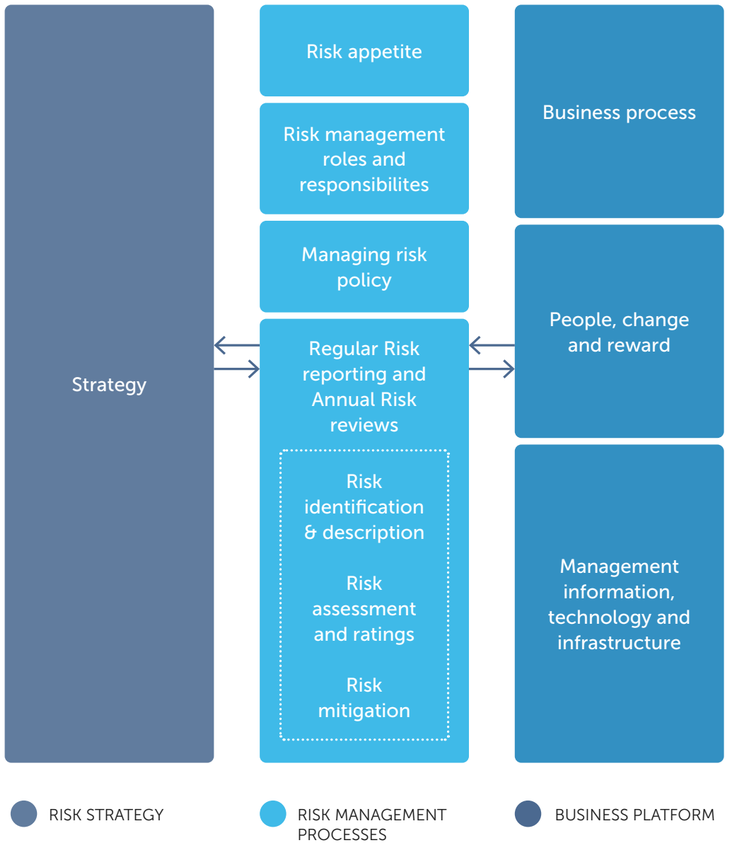
The diagram opposite depicts the enterprise-wide risk management framework that applied in FY25. This framework supports Chorus' Managing Risk Policy and is approved by the Board and updated periodically (usually every 2 years).

Chorus' overall risk approach is shaped around four interlinking risk elements: Principal Risks, Business Unit Risks, Emerging Risks and Unforeseen Risks in line with its Managing Risk Policy. Principal risks are reviewed annually by the Executive team and endorsed by the Board.

Within this wider enterprise-risk management framework, potential impacts associated with climate change continued to be identified and managed as a 'Principal risk' and 'Emerging risk' in FY25.
In FY25, the Board also updated its risk appetite statement in the Risk Management Framework document that supports Chorus' Managing Risk Policy to expressly provide that Chorus will ensure climate mitigation and adaptation is part of how it achieves its strategic objectives.

In addition to climate change being considered under Chorus' enterprise-level risk management framework, more specific climate risks have also been managed under a dedicated climate risk management framework since 2023. This dedicated framework is aligned to, and consistent with, Chorus' broader risk management framework, and uses similar processes to identify, assess, prioritise, and manage climate risks which are tracked in a dedicated register.

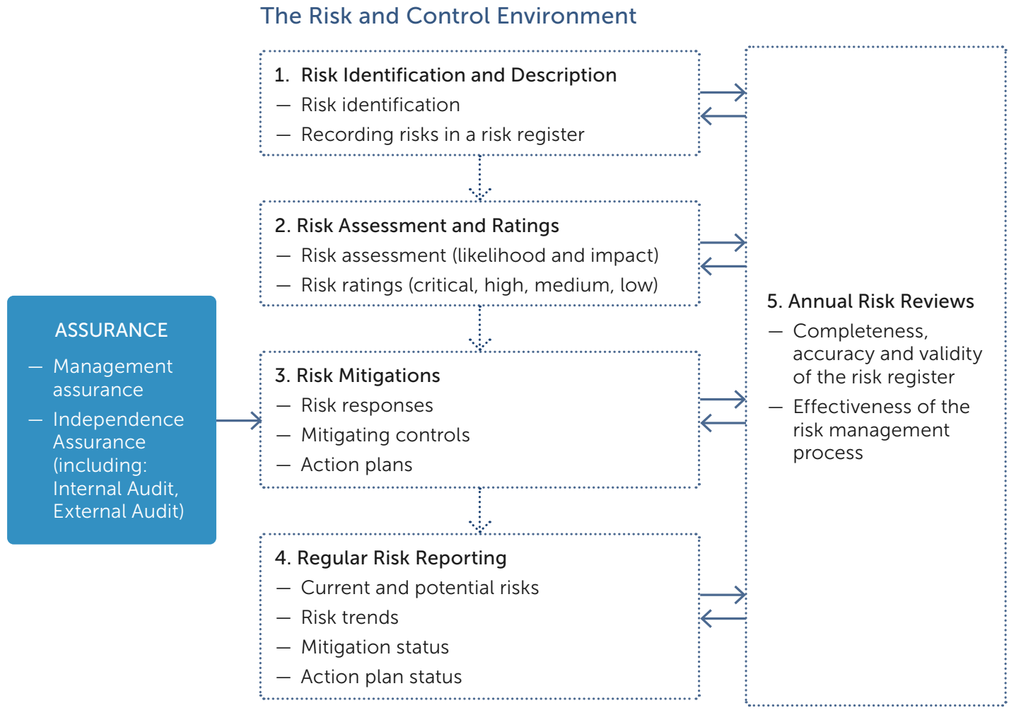
The Enterprise Risk Management Strategic Processes



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Risk Management continued

The diagram below depicts the key elements of Chorus' risk management processes, which are applied in the climate context. This follows the principles of *ISO-31000 – Risk management across each core process*.



Climate risk and opportunities – identification, assessment, prioritisation, and management

NZ CS 1, 18 and 19

Chorus' core processes for identifying, assessing, prioritising, and managing climate risk and opportunities remained consistent with FY24. For simplicity, material aspects are set out in the table below:

Identify	• Chorus' climate-related risks and opportunities register operates within its enterprise-wide risk management framework. • Key elements identified are the risk trigger, risk type (physical, transitional or both), risk category, time horizon, likelihood and impact, and responsibility. • Six monthly reviews consider whether new/existing key risks remain appropriate having regard to any recent events, reports, and stakeholder feedback. • Climate risks can also be identified through additional channels, including workshops, third party assessments, stakeholder feedback, involvement in sector-wide analysis, and 1–to-1 conversations.
Assess	• Mitigation and controls for risks are evaluated and actions assigned. • Consistent with Chorus' enterprise-wide framework, climate risk is assessed based on a combination of the impact and likelihood of an event occurring, resulting in a risk rating of 'critical', 'high', 'medium' or 'low'. Chorus' methodology utilises both financial and nonfinancial measures to allow for consistency in assessment across all risk types, including climate risks. • Updates take place bi-annually. In FY25, this was led by the Environmental Lead for Governance and Compliance.
Prioritise	• The assignment of ratings to key risk areas inherently involves prioritisation, and reflects Chorus' hierarchy of 'principal risks', 'business unit risks', 'emerging risks' and 'unforeseen risks'. • Within the climate risk register individual risks are similarly afforded a 'critical', 'high', 'medium' or 'low' rating. Risks are assigned to a risk owner for management, and risk mitigation initiatives are identified. • Management and mitigation initiatives are prioritised to reflect, among other things, those initiatives which have the most significant potential impact, any cost/benefit analysis undertaken, Executive preference and resource availability.
Manage	• Business owners are assigned to each climate risk, including bi-annual reviews. • The overall purpose of risk reporting is to enable effective and ongoing assessments of whether current risk positions are acceptable. This includes considering the acceptability of inflight/proposed actions and timelines and whether additional actions, budget and/or resources are required to mitigate the risk. • The ARMC receives quarterly reporting outlining how principal risks are being managed to assist in the achievement of our strategy and areas for potential discussion.

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Time horizons for risks

NZ CS 1, 19(b)

Chorus' climate risk horizon is based on short, medium, and long-term timeframes, as outlined below:

- Short-term (5 years: 2030) – aligns to telco emissions reduction targets and Chorus' regulatory periods
- Medium-term (15 years: 2040) – spans Chorus' 10-year strategic planning horizon, along with average life of electronic network equipment
- Long-term (30+ years: 2055+) – aligns with potential materialisation of physical risks, particularly infrastructure impacts and New Zealand's 2050 Net Zero ambition

These time horizons also align to the telecommunications sector scenario analysis. Under our new strategy, Chorus' strategic horizons are Horizon 2, FY26–FY30 (Growth, Simplicity & Efficiency) and Horizon 3, FY30–FY35 (All-fibre Business), which are a focus when looking at climate related opportunities.

Value chain exclusions

NZ CS 1, 19(c)

Chorus does not specifically exclude any parts of our value chain from climate risk processes. Chorus continues to monitor for opportunities to encourage suppliers to reduce emissions as part of our ERP.

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Appendix 1: Compliance table

The table below contains a summary of where key disclosures can be found.

Table 9: Table of disclosures

NZCS1 requirement	Location
Governance	
Identity of governance body responsible for oversight of climate-related risks and opportunities – *para 7(a)*	Page 19
Governance body oversight – *para 7(b) and 8(a), (b), (c) and (d)*	Pages 19-21
Management's role – *para 7(c), 9(a), (b) and (c)*	Pages 20 and 22
Strategy	
Current physical and transition impacts – *para 12(a)*	Page 11 - No material disclosure
Current financial impacts – *para 12(b) and (c)*	Page 11 - No material disclosure
Scenario analysis undertaken – *para 13*	Pages 9-10
Climate-related risks and opportunities – *para 14(a), (b) and (c)*	Page 11 and Table 2
Anticipated impacts – *para 15(a)*	Table 2
Anticipated financial impacts – *para 15(b), (c) and (d)*	Adoption relief, see page 3
Transition planning: current business model and strategy – *para 16(a)*	Pages 4-7
Transition planning: transition plan aspects of strategy and extent of alignment with internal capital deployment – *para 16(b) and (c)*	Page 8
Risk Management	
Processes for identifying, assessing, and managing climate-related risks – *para 18(a), and 19 (a), (b), (c), (d) and (e)*	Page 24
Integration into overall risk management processes – *para 18(b)*	Pages 23-24
Metrics and Targets	
Metric categories (GHG emissions) – *para 22(a) and (b)*	Page 15 and 18
Metrics categories (Other) – *paras 22(c) to (h), and para 21(b) and (c)*	Pages 18-19
Targets – *para 23(a) to (e)*	Page 14
GHG emissions - additional information – *para 24 (a) to (d)*	Pages 16-17 and Appendix 4
Comparatives for metrics – *para 40 of NZ CS 3*	Pages 15, 18 and 19
Assurance of GHG emissions	
GHG emissions subject to assurance engagement – *para 25 and 26*	Appendix 5

Appendix 2: Limitations of information

Climate-related information

As noted above, this report contains climate statements that are based on data, methodologies, assessments and judgements which are by their nature subject to significant uncertainty, limitations and assumptions and which may change. While Chorus has sought to provide accurate information in respect of the reporting period ended 30 June 2025 and is committed to progressing our response to climate-related risks and opportunities over time, we caution against reliance being placed on information in this report which may be less certain than other aspects of our annual reporting.

Climate-related data and other inputs used (including from third parties and our supply chain) by their nature may be incomplete, inconsistent, unreliable or unavailable, and in certain cases, we have had to rely on certain assumptions, estimates or proxies. Similarly, climate modelling and scenarios are emerging methodologies that rely on assumptions and judgements and may not reliably predict future events.

Forward-looking statements

This report also contains forward-looking statements and opinions, including in relation to climate scenarios, impacts, targets and goals, forecasts and projections, as well as Chorus' business plans and operations, future operating environment, and market conditions. These may not eventuate as predicted. The risks and opportunities described may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Chorus' actual results, performance, or achievement of climate metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Chorus' control.

We similarly caution against reliance being placed on such statements and opinions, which are necessarily subject to significant risk, uncertainty, and assumptions. We have based our statements and opinions on reasonable information known to us at the time of publication, but these may change including for reasons beyond Chorus' control. We reserve the right to update such statements in future, as the quality and completeness of inputs and information improves, and our organisational strategy evolves.

General

This note should be read with the specific limitations, dependencies, uncertainties set out above, in particular the discussion of climate scenarios, targets, anticipated impacts and transition planning.

Chorus gives no representation, guarantee, warranty or assurance that actual outcomes or performance will occur in line with forward-looking statements and accepts no liability for any loss arising from use of any information contained in this report. To the maximum extent permitted by law, Chorus shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of these Climate-Related Disclosures.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. For detailed information on our financial performance, please refer to our Annual Report.

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Appendix 3: Glossary of terms

Key terms are as defined in NZ CS 1, unless otherwise indicated with an asterisk (*) below:

Absolute target	A target defined by a change in absolute GHG emissions over time. For example, reducing scope 1 GHG emissions by 50% by 2030 from a 2019 base year.
Base year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
Board*	Chorus Limited's Board of Directors.
Cabinets*	A cabinet is an enclosed structure containing telecommunications equipment, used for copper and/or fibre services. Chorus cabinets are often small roadside non-building structures but can vary.
CO_2e	Carbon dioxide equivalent. The universal unit of measurement to indicate the global warming potential of each of the seven GHGs, expressed in terms of the global warming potential of one unit of carbon dioxide for 100 years. It is used to evaluate releasing (or avoiding releasing) any GHGs against a common basis.
Electricity – location based reporting	The location-based method uses an emission factor calculated from all electricity delivered to the grid in a year or quarter (in New Zealand this is published by the Ministry for the Environment).
Electricity – market based reporting	Scope 2 market based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.
Emissions*	Emission sources are categorised by scope to manage risks and impacts of double counting. There are three scopes in greenhouse gas reporting.
Exchange*	A local fibre company **(LFC)** owned or leased building, or leased or licensed area within a building, with a floor area of at least 15 square metres (or, since UFB2, can include a cabinet) and a main distribution frame terminating copper or fibre network connected to end-user premises.
Fluvial*	River flooding.
FY*	Financial Year–1st of July to 30th of June periods.
GHG	Greenhouse gas. The following greenhouse gases are listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).
GHG Inventory*	A quantification of an organisation's greenhouse gas sources, sinks, emissions, and removals.
ICP*	Internal Carbon Price. A monetary value on GHG emissions that an entity uses internally to guide its decision-making process in relation to climate-related impacts, risks, and opportunities.
ONT*	Optical Network Terminal, or the termination point of fibre in the home or business.
Petabyte*	One million gigabytes (GB), which is a measure of data volume.
Pluvial*	Surface water flood.
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise.
SBTi*	Science Based Targets initiatives: **https://sciencebasedtargets.org/**.
Scenario analysis	A process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps an entity to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.
Scope 1	Direct emissions from sources that are owned or controlled by a company.
Scope 2	A reporting organization's emissions associated with the generation of electricity, heating/cooling, or steam purchased for own consumption.
Scope 3	A reporting organization's indirect emissions (value chain) other than those covered in scope 2.
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent (e).
T&D losses	Transmission and Distribution losses, which refer to the difference between the electricity generated and the electricity actually delivered.
Transition plan	An aspect of an entity's overall strategy that describes an entity's targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future.
Transition risks	Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.
Verification*	An independent assessment of the reliability (considering completeness and accuracy) of a GHG inventory.
WTT	Well-to-Tank (WTT) refers to a method used to calculate the energy consumed and GHG emitted from the moment of production of a transport fuel.

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Appendix 4: GHG emissions – methodology

Scope/Category	Emission source	Calculation method	Methodology and data source	Data quality and uncertainty
Scope 1				
Stationary combustion	Diesel generator fuel	Fuel-based method	Invoices and excel reports records of fuel purchased	Low uncertainty and high data quality
Stationary combustion	Natural gas (LPG use in exchanges)	Fuel-based method	Invoices with monthly meter readings	Low uncertainty and high data quality
Fugitive emissions	Fugitive emissions from air-conditioning systems	Supplier-specific method	Records from service providers' maintenance reports and supporting invoices	Low uncertainty and high data quality
Mobile Combustion	Chorus vehicle fleet fuel	Fuel-based method	Invoices and excel reports records of fuel purchased	Low uncertainty and high data quality
Scope 2				
Electricity	Location based	Hybrid-based method (supplier and estimated)	Supplier excel report, small suppliers' invoices with meter reading. Accurate records of electricity purchased. Within multiple exchanges, Chorus rents space from Spark sites and due to limited equipment electricity metering, Spark and Chorus invoice each other for electricity usage based on a usage (kWh) per equipment type[42]	Low uncertainty and high data quality
	Market based[41]			Moderate uncertainty and high data quality
Scope 3				
Category 1 – Purchased goods and services	Financial annual spend records of all suppliers	Spend-based method[43]	Where no supplier information was available or the data was too uncertain, Chorus used a spend based method from internal finance annual spend records by service type x emission factor sourced from GHG emissions for Commodities and Industries emissions modelling	High data quality with high uncertainty around the emission factors selection
Category 2 – Capital goods	Suppliers' fuel data (service delivery partners)	Hybrid-based method (fuel-based and estimated)	All major suppliers (spend >$8M a year) contacted for information on the portion of their footprint attributable to activities performed on behalf of Chorus. Fuel use is most of the emissions, especially for Field Service Agreements (Downer, UCG and Ventia), who provide monthly fuel information	Moderate certainty and moderate data quality due to some estimation around the sub-contractors' fuel use
Category 3 – Fuel and energy use	Transmission and distribution (T&D) line losses from electricity	Average-data method	T&D lines losses based on electricity and gas consumption data from scope 1 & 2 and MfE line loss assumptions. Chorus voluntary reports on T&D losses from scope 3 electricity use (ONT and customers)	Low uncertainty and high data quality (based on supplier information)
	Well-to-tank (WTT) emissions from upstream fuel use	Average-data method	Fuel records for Chorus' own fleet. WTT estimated using BEIS assumptions	Low uncertainty and high data quality
		Average-data method	Estimates of the amount of fuel used and Chorus' scope 3 (contractor fuel details)[44]	Moderate data quality and moderate certainty
Category 4 – Upstream Transportation and distribution	Air and sea freight from overseas to New Zealand and road and rail within New Zealand	Distance-based method	Includes all transport and distribution paid by Chorus regardless of whether the transport occurs upstream or downstream according to the Telecommunication guidance[45] Supplier report (Nokia) provides the distance and weight for packages. Distance is determined using international freight distance databases and weight is based on supplier records per product type Mainfreight provides a supplier-specific emission factor that is externally verified. The information is based on accurate tracking by mode of transport and weight and distance per mode type	Moderate uncertainty and moderate data quality

41 Scope 2 market-based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.
42 Energy audit was completed in 2015 to develop a comprehensive list of all the energy used by equipment type and allow for improved assumptions.
43 Chorus will work to move away from spend based data towards supplier-specific information.
44 Chorus is aware that this might lead to double counting but decided to take a conservative approach.
45 Category 9 – page 56–**GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T)**, Scope 3 Guidance for Telecommunication Operators, 2023.

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Appendix 4: GHG emissions – methodology continued

Scope/Category	Emission source	Calculation method	Methodology and data source	Data quality and uncertainty
Category 5 – Waste generated in operations	Waste to landfill produced at Chorus' offices	Average-data method	Third-party building managers provide a report for each Chorus office. Information is broken down by type and weight of waste generated	Moderate uncertainty and low data quality
Category 6 – Business travel	Air travel and Accommodation	Supplier-specific method	Supplier records (Tandem Travel) with type of travel class and distance travelled per passenger. Tandem is audited annually on their methodology and reporting. Outputs are calculated using the distances travelled by sector split into domestic, short haul and long haul split by class of travel	High data quality and low uncertainty
	Taxis	Spend-based method	Records from general ledger	Variable data quality, medium uncertainty overall (due to the emission factor)
	Rental car	Distance-based method	Supplier records itineraries and rental car companies' information (kms travelled). Some assumptions made around the type of vehicle driven	Moderate data quality and moderate uncertainty
	Mileage claims	Distance-based method	Records from general ledger (kms travelled). Data is extracted from Chorus' internal expense claim system and assumes kms travelled to be accurate and a reflection of work-related travels	Moderate data quality and moderate uncertainty
	EV Charging	Supplier-specific information	Supplier electricity reports received from Thundergrid who provide the EV charging infrastructure	High data quality and low uncertainty
Category 7 – Employee commuting	Travel to and from work (in private vehicles and public transport)	Distance-based method	Employee survey to determine commuting based on survey results and office occupancy data	Data quality is low and high uncertainty as it is based on survey
	Working from home	Hybrid-based method	Chorus internal office occupancy tracks occupancy per location, this was used to estimate working from home days	Data quality is high and high uncertainty due to the emission factor assumptions
Category 11 – Use of sold products[46]	Electricity use within customer devices	Direct use-phase method	Chorus internal tracking of number of ONT (Optical Network Terminal) deployed. This is based on the manufacturing estimated electricity use of the ONT installed in premises or powered by end users. It excludes energy use from Wi-Fi gateways provided by Retail Service Providers or customers	High data quality and moderate uncertainty due to the electricity assumption based on manufacturing and product specifications
Category 13 – Downstream leased assets	Electricity use oncharged to customers	Hybrid-based method (supplier-based and estimated)	Within multiple exchanges, Chorus rent some space to Spark and must estimate the electricity (using some assumptions).	Moderate uncertainty and moderate data quality.
			Chorus' Christchurch office ground floor was leased for most of the year and was sub metered, data was based on a specific ICP number	High data quality and low uncertainty

46 According to the **GSMA GeSI scope 3 guidance for telecommunications operators**, ONT could be reported either in Category 11 or Category 13. It is noted that according to the Greenhouse Gas Protocol Value Chain standard, Category 11 should report on emission using lifetime emissions. After careful consideration, internal discussion and external comparison of industry best practice, Chorus decided to report the ONT emissions under category 11 for consistency with the telecommunications industry without applying the lifetime reporting requirements as Chorus has access to more accurate information (actual annual electricity consumption until the ONT is disconnected).

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Appendix 5: KPMG Independent Limited Assurance Report

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of scope 1, 2 and 3 gross greenhouse gas emissions and scope 1, 2 and 3 gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement (GHG disclosures) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (the criteria) for the period 1 July 2024 to 30 June 2025.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Chorus Limited's GHG disclosures for the period 1 July 2024 to 30 June 2025. The **GHG disclosures** include the following:

- Total scope 1, 2 and 3 (both location and market based approach) GHG emissions contained in the Climate Statement within table 4 and table 5 (pages 15);
- the additional required disclosures and gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement on pages 16 to 17 and Appendix 4 (pages 28 to 29) of that report.

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the Climate Statement, or other information that accompanies or contains the Climate Statement and our assurance report (**other information**). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on pages 14 of the Climate Statement, the greenhouse gas emissions have been measured in accordance with:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- The Greenhouse Gas Protocol: GHG Protocol scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- The Greenhouse Gas Protocol: Corporate Value Chain (scope 3) Accounting and Reporting Standard

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Chorus Limited. Our assurance work has been undertaken so that we might state to Chorus Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than Chorus Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Chorus Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Chorus Limited's responsibility for the GHG disclosures

The Directors of Chorus Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the criteria. This responsibility includes the design, implementation and maintenance of such internal control as Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of Chorus Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

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Appendix 5: KPMG Independent Limited Assurance Report continued

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Chorus Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Chorus Limited's use of the criteria as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- obtained, through inquiries, an understanding of the Chorus Limited's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- evaluated whether the Chorus Limited's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Chorus Limited's estimates;
- performing analytical procedures on particular emission categories by comparing the expected GHG emissions to reported GHG emissions and made inquiries of management to obtain explanations for any significant differences we identified;
- agreeing a selection of GHG emissions data to relevant underlying source documents and re-performing emission factor calculations for a limited number of items; and
- considering the presentation and disclosures of the GHG disclosures and explanatory notes against the requirements of the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided other services to Chorus Limited in relation to the statutory audit of the financial statements. Subject to certain restrictions, partners and employees of our firm may also deal with Chorus Limited on normal terms within the ordinary course of trading activities of the business of Chorus Limited. These matters have not impaired our independence as assurance providers of Chorus Limited for this engagement. The firm has no other relationship with, or interest in, Chorus Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by Chorus Limited, we are not permitted to be involved in the preparation of the GHG disclosures as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is David Gates.



KPMG
KPMG Wellington
22 August 2025

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