



CH • RUS

Capital Notes Offer

May 2025

Joint Lead Managers:



Disclaimer

Please read carefully before the rest of this presentation

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Investors should carefully consider the features of the Capital Notes which differ from the features of a standard senior bond. Those features include the ability of Chorus to defer interest, optional redemption rights for Chorus, margin step-ups and the subordinated nature of the Capital Notes.

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- Should be read in conjunction with Chorus' audited consolidated financial statements for the year to 30 June 2024 and NZX and ASX market releases.
- Includes non-GAAP financial measures including "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. Chorus monitors "EBITDA" as a key performance indicator and believes it assists investors in assessing the performance of the core operations of Chorus' business. "EBITDA" is reconciled in the Notes on page 11 of the HY25 half year 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.
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- Note that references made to \$ within this presentation refer to New Zealand dollars (NZD).

New Zealand's largest fixed line communications infrastructure business

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Introducing Chorus

New Zealand's largest fixed line communications business

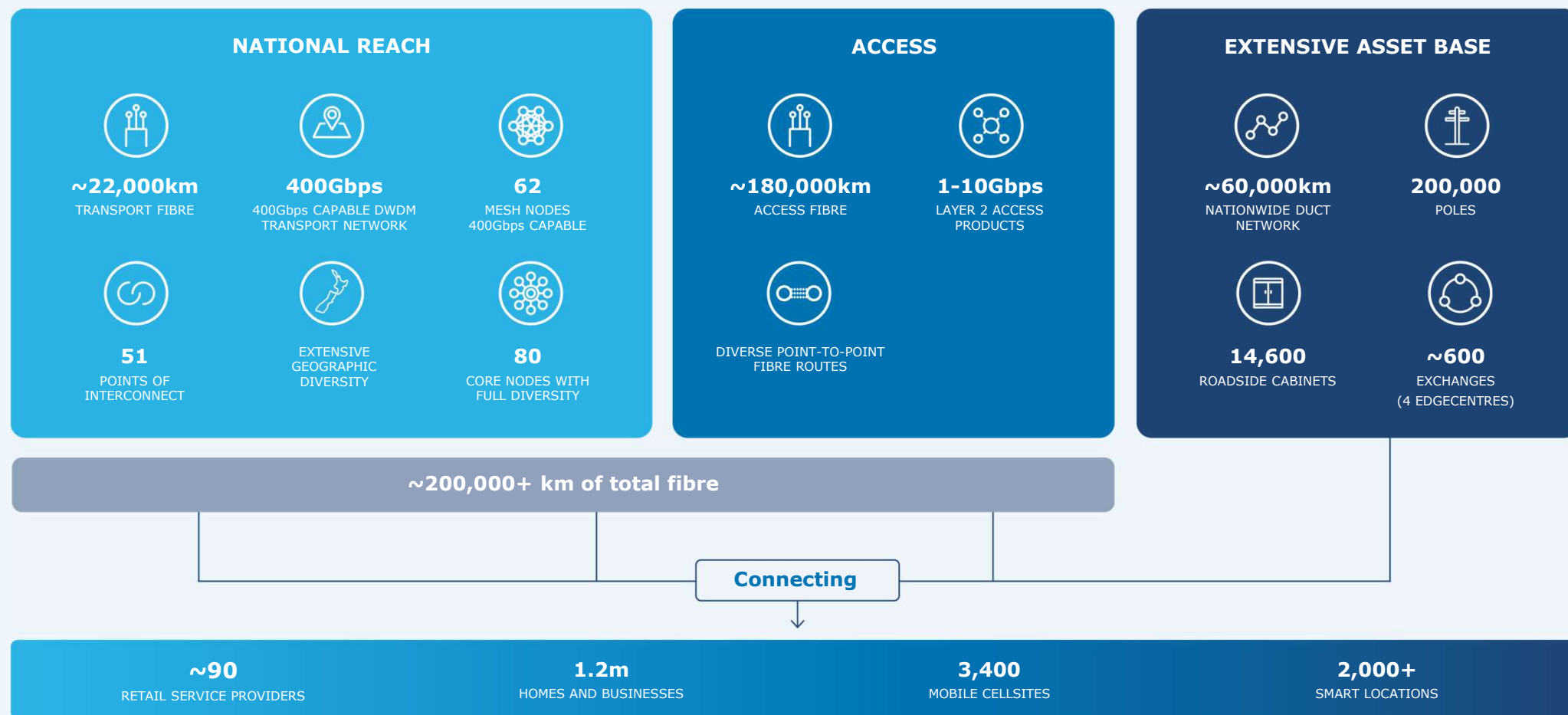
- wholesale-only business with ~90 retail service provider customers
- Chorus fibre passes 1.5m addresses, built under public-private-partnership
- ~72% uptake today, striving for 80% fibre uptake by 2030
- regulated asset base and revenue cap regime on fibre
- copper network retirement enabling removal of legacy costs
- exploring market adjacencies to leverage our infrastructure assets
- COVID and economic slowdown has proven fibre's utility value

Key credit highlights

- Chorus (CNU) is dual listed on ASX and NZX
- ~NZ\$3.6bn market cap at 8 May 2025
- strong operating cash flow and financial performance
 - EBITDA NZ\$700m (FY24)
- proven maintenance of investment grade credit rating
 - S&P "BBB" stable; Moody's "Baa2" stable
- financial flexibility via NZ\$450m bank facility and multi-currency bond programmes (EMTN, AMTN and NZD retail)



New Zealand's largest digital infrastructure 'neutral host'



Our Road to 2030

Growth, Simplicity & Efficiency

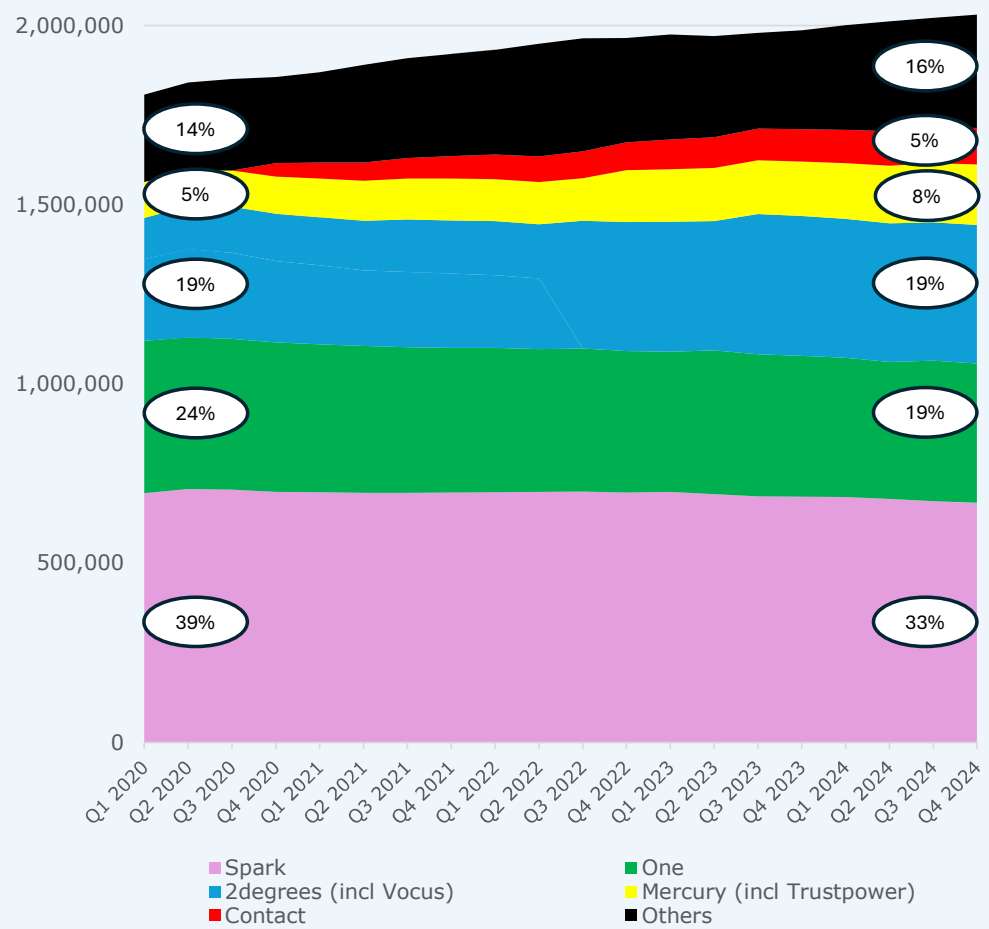
PURPOSE	Unleashing potential through connectivity. Enabling better futures for Aotearoa			
ASPIRATION	Simplified all fibre business with 80% uptake by 2030			
BUSINESS MODEL	Efficient Network Operator	Market Challenger	Infrastructure Player	
CORE COMPETENCIES	Tangible Assets	Regulatory Management	Go-to-Market	
STRATEGIC PILLARS & PRIORITIES	L Lead	E Expand	A Adapt	P Pioneer
	Leading fibre uptake	Expand new revenues	Achieve operational excellence	Pioneer an all-fibre business

Our market context

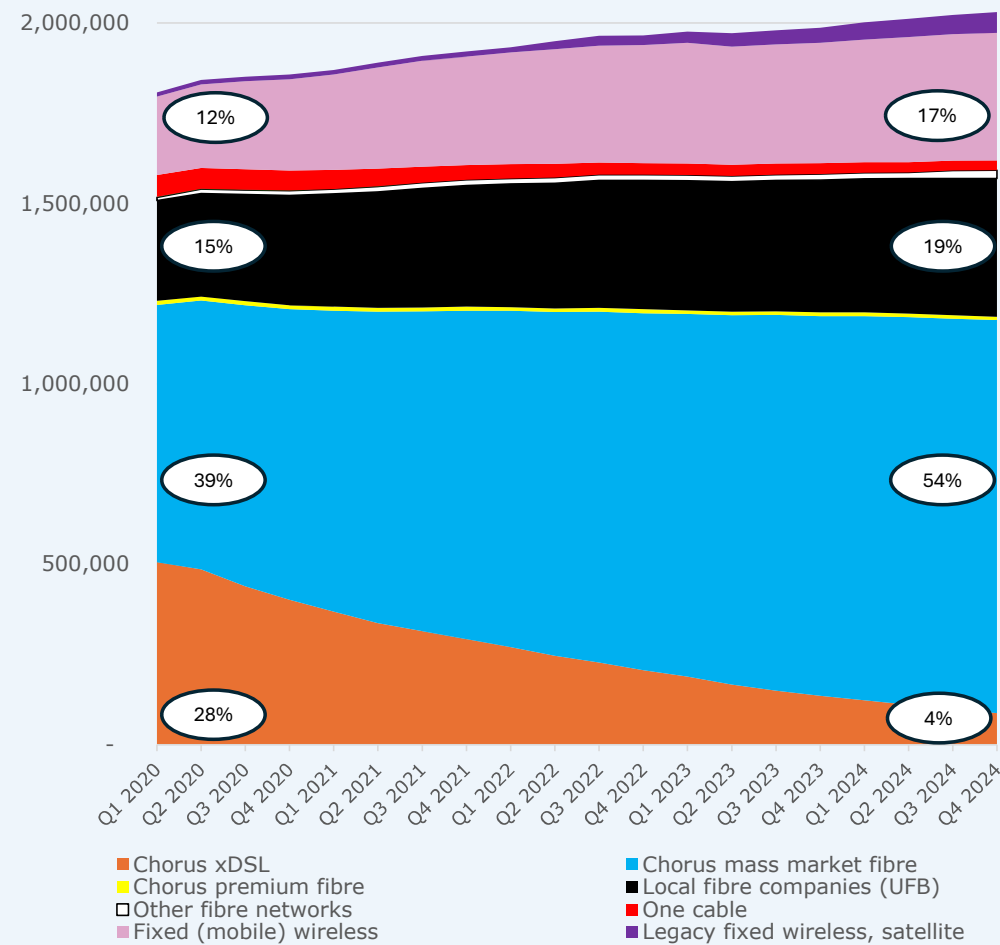


The New Zealand broadband market

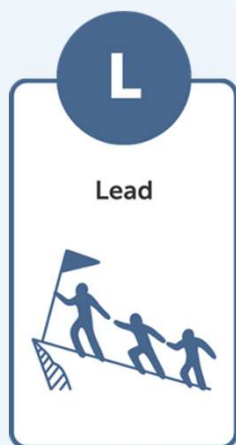
NZ broadband market – by retailer



NZ broadband market – by technology



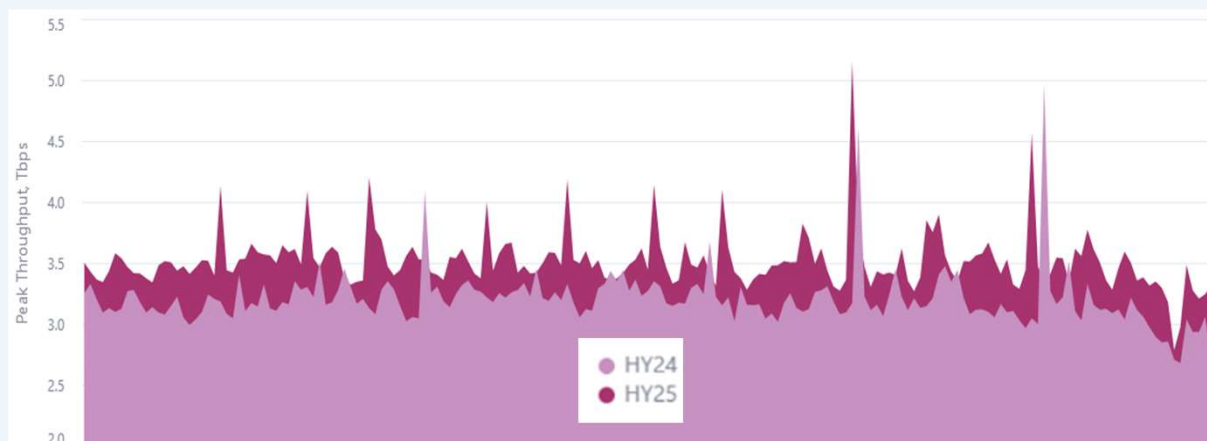
Source: IDC



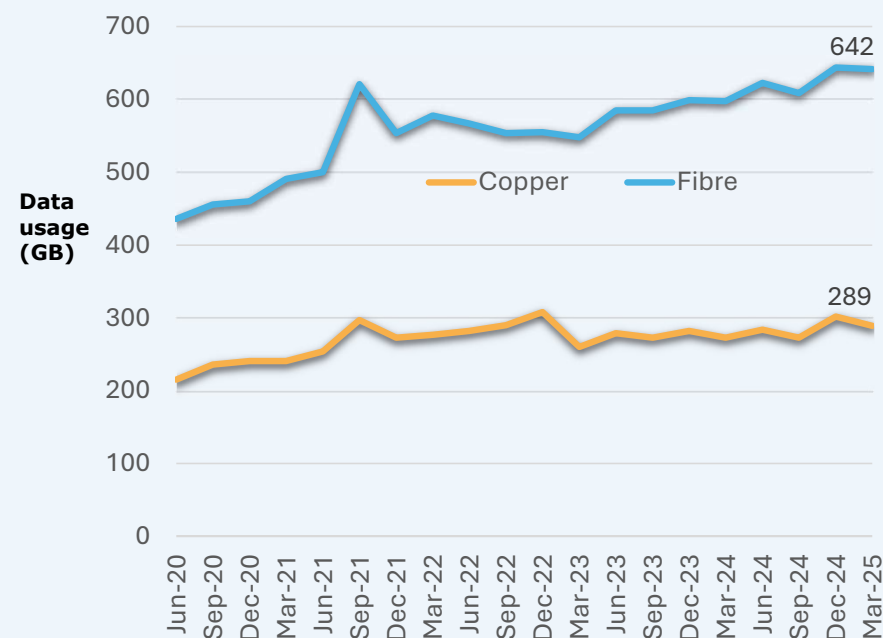
Record data use and more peak events

- monthly average data usage on fibre increased strongly to 642GB in March 2025 (June 2024: 623GB)
- the proportion of fibre connections using more than 1 terabyte of data was 17% (FY24: 16%)
- HY25 average daily peak traffic 10% higher than HY24
- 10 peak traffic events in HY25 vs 4 in HY24

Daily peak traffic on fibre network, July-December



Monthly average data usage per connection*



* includes upstream traffic

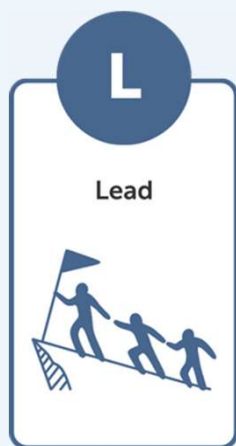
What's driving data growth?

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.

Everything from homes to cars, to factories and hospitals, are becoming digitally smart. This Internet of Things is forecast to drive 1 Yottabyte* of data per year within a decade. 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.



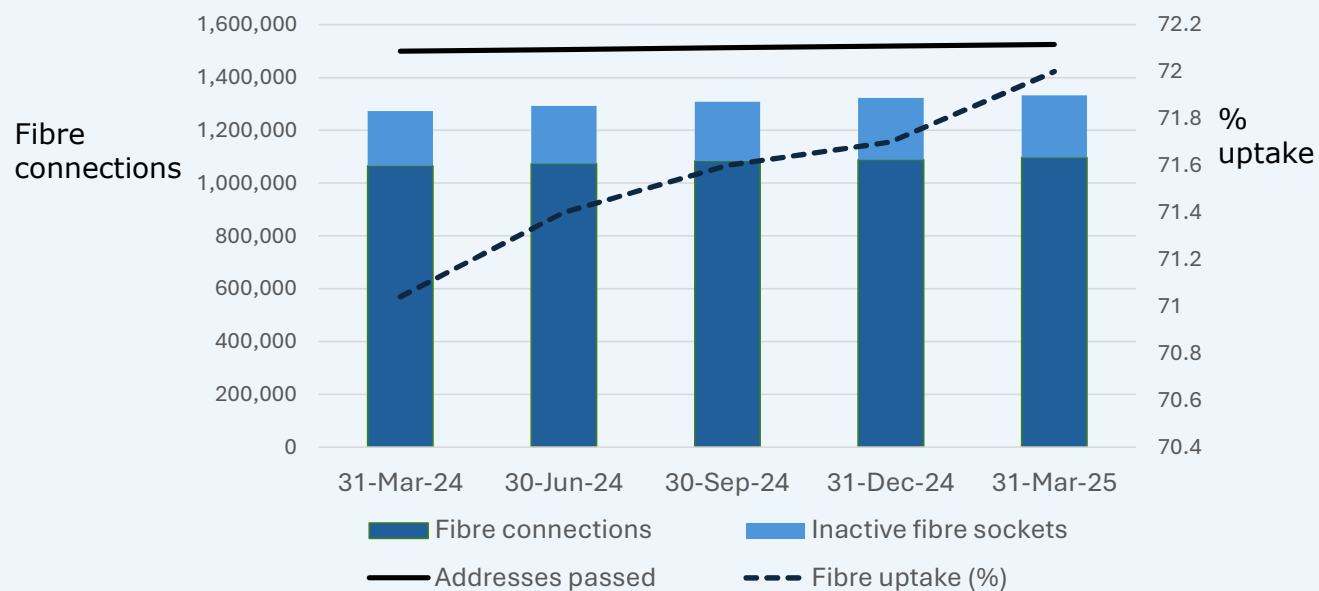
1YB* of data = 1 million trillion megabytes or the amount of data that would fit on DVDs stacked all the way to Mars. (225 million km)



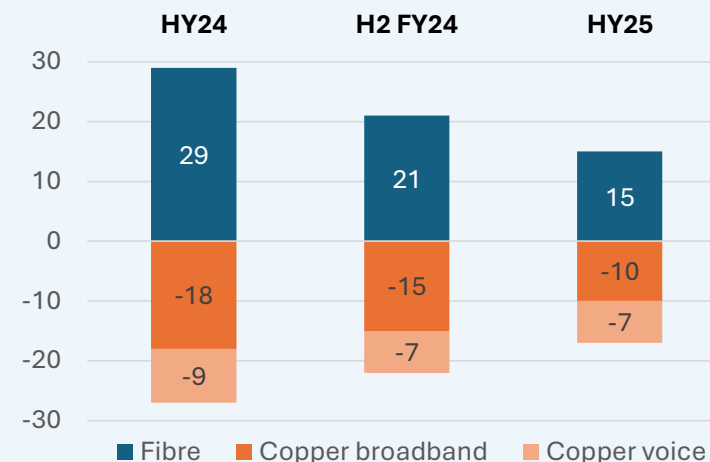
Fibre growth has continued in slower market

- 72% fibre uptake across Chorus fibre area as at Q3 FY25 (target: 80% by 2030)
- 1.1m total fibre connections, with slowing tailwind from copper migration
- growing fibre footprint with 1,525,000 addresses passed

Fibre uptake in Chorus fibre area (% of addresses passed)



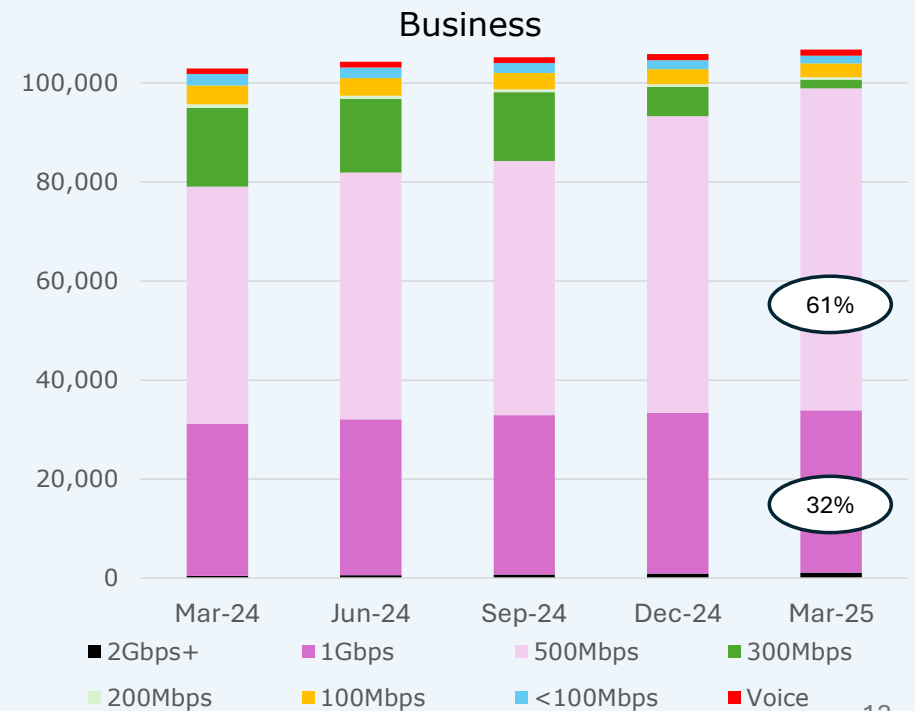
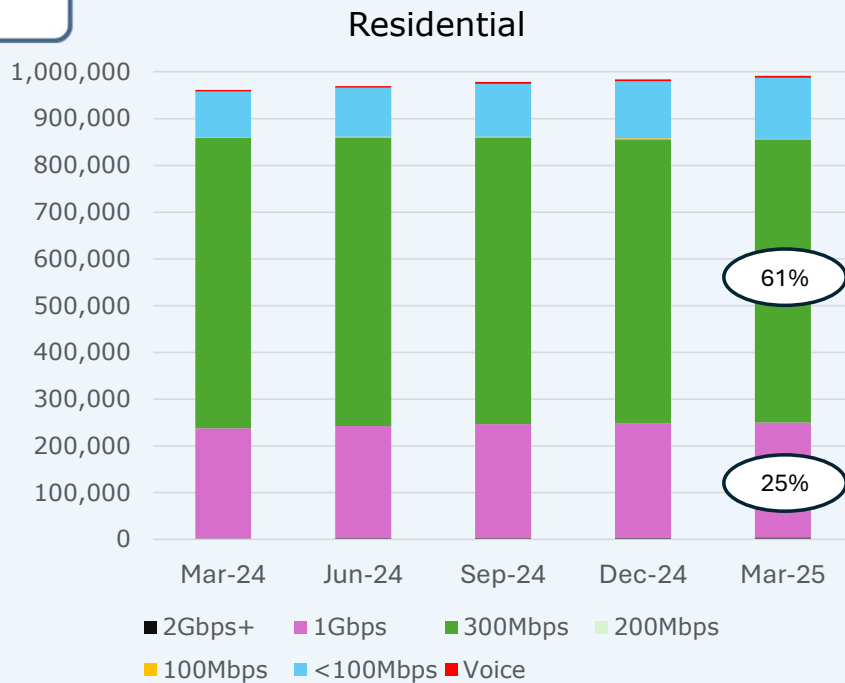
Change in mass market connections in Chorus fibre area ('000s)





Offnet demand drives majority of continued 50Mbps growth

- *Home Fibre Starter* (50Mbps) connections grew by net 9k connections to 77k in Q3 FY25; 66% of gross adds were from new fibre connections or offnet (up 4% from Q2 FY24), 25% were from higher speed plans, and 9% from legacy 50Mbps plans
- 1Gbps+ residential connections grew 2k in Q3 FY25 and comprise 25% of residential plans
- business 500Mbps+ connections grew by 6k in Q3 FY25, driven by simplification of business plans as at Q3 FY25



Fast track to an all-fibre future



E

Expand



Driving digital infrastructure revenue growth

- infrastructure revenues \$77m in HY25 (target: annual \$180m-\$200m by 2030)
- 'greenfield' property activity stabilising back at pre-Covid levels (~20k-25k lots p.a.)
- steady growth in data connectivity demand (e.g. smart locations, mobile backhaul, EdgeCentre)
- IoT: proof of value trials with councils/utilities
- Sub sea cable: feasibility work underway on trans-Tasman cable

Existing expertise and revenues

FOCUS
AREAS

Exploring adjacent opportunities



A

Adapt



Regulatory certainty on fibre to 2029

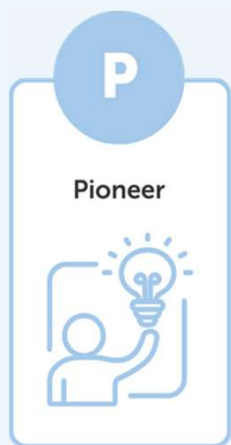
- final maximum allowable revenue (MAR) decision (December 2024) defers \$256m of core fibre asset depreciation from price-quality period 2* (PQP2)
- we expect opening core regulated asset base (RAB) to grow from \$4.99bn (Commission forecast at 13 Dec 2024) to ~\$5.4bn through PQP2, based on final capex allowances and core asset depreciation

PQP2 MAR	2025	2026	2027	2028
Final MAR	\$956.9m	\$1,001.0m	\$1,040.8m	\$1,079.7m
PQP2 allowances	2025	2026	2027	2028
Opex**	\$197.0m	\$203.6m	\$208.0m	\$210.9m
Capex***	\$327.6m	\$290.6m	\$261.3m	\$260.0m

**PQP2 is the second regulatory period, determined by the Commission on 28 February 2023 as the 4-year period from 1 January 2025 to 31 December 2028*

*** opex allowance excludes ~\$20m p.a. of pass-through costs included in MAR. Chorus expects to add \$10m-\$20m opex p.a. (to be recovered via wash-up) as copper shuts down in CNU fibre areas*

**** capex allowance may increase subject to installation demand and any future incentive proposal*

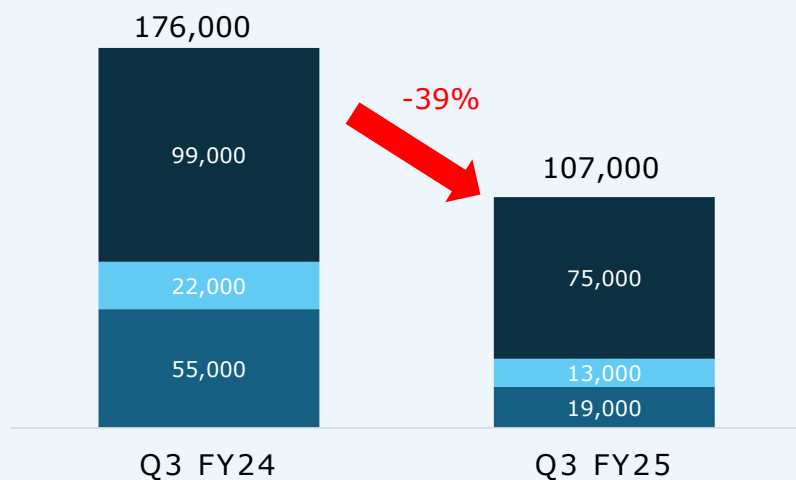


Copper retirement is coming into focus

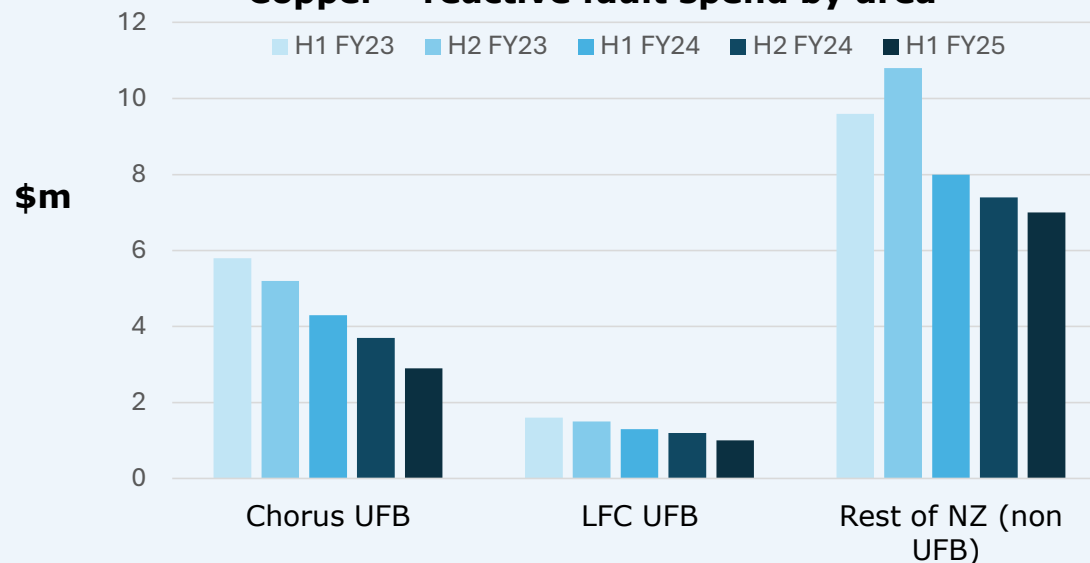
- shutdown of copper in Chorus fibre areas now expected by end FY26; fewer than 19k lines in service
- 24% reduction in non-fibre area copper lines since Q3 FY24 (target: copper shutdown by 2030)
- Chorus' ~10k premises fibre rollout is reducing copper further with 2.5k premises ready for service and 700 connected to date (4.5k expressions of interest)
- Commerce Commission draft recommendation that regulation of copper voice and broadband services is no longer needed to promote competition. Final report due to Government by end of 2025

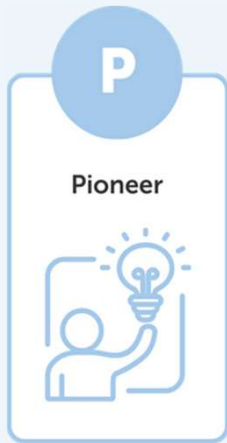
Remaining copper lines

■ CNU fibre area ■ LFC fibre area ■ Non-fibre area



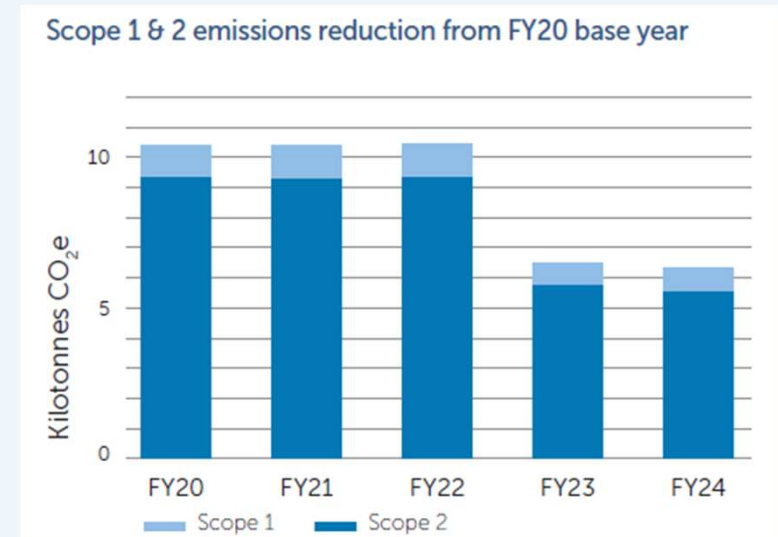
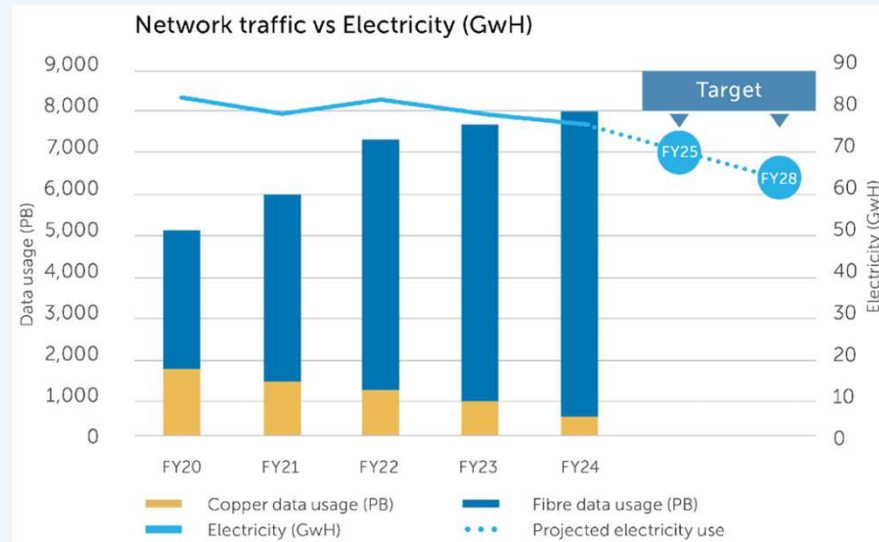
Copper – reactive fault spend by area





Fibre enables a more resilient future

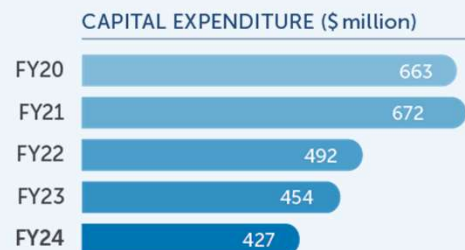
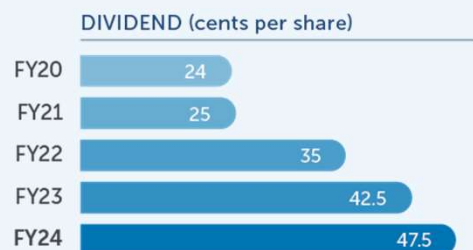
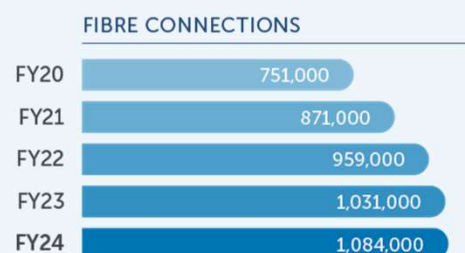
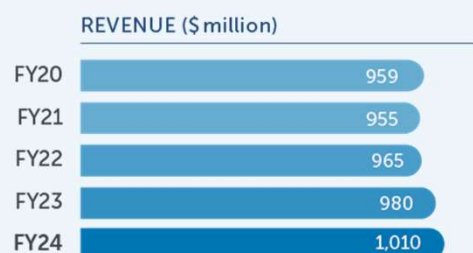
- fibre broadband has a much lower fault rate than copper (~5% vs ~30% per annum) and is widely recognised as the most energy efficient broadband technology
- Chorus carried 8% more data traffic in FY24, but reduced electricity usage by 3% by removing legacy equipment
- reduced electricity use and ~87% renewable generation in the NZ electricity grid (March 2024) saw our FY24 Scope 1 & 2 emissions reduce by 39% against our FY20 base year (target = 62% reduction by FY30)



Financial highlights



FY24 overview



- 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 3% reduction in electricity use in FY24 against FY23.
- 3 39% reduction in scope 1 & 2 emissions against our base year of FY20.
- 4 As at 31 December

Leverage: 4.54x net debt/EBITDA

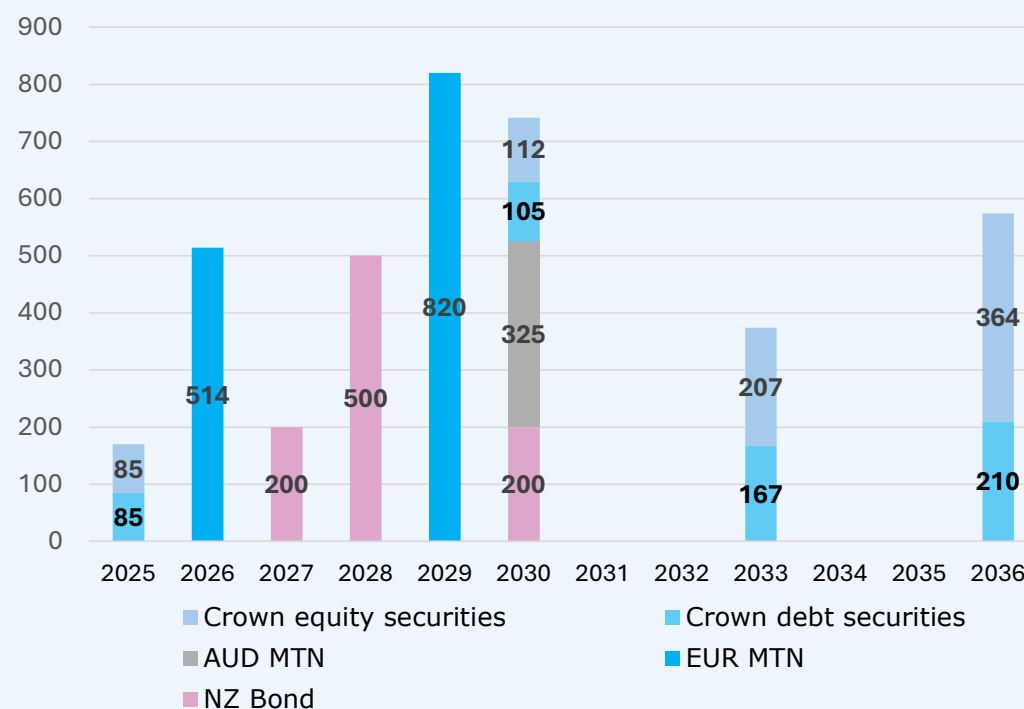
As at 31 Dec 2024	(\$m)
Borrowings	2,774
+ PV of crown debt securities (senior portion)	314
+ Net leases payable	<u>166</u>
Sub total	3,254
- Cash	83
Total net debt	3,171
Net debt/EBITDA*	4.54x

*based on S&P and bank covenant methodologies

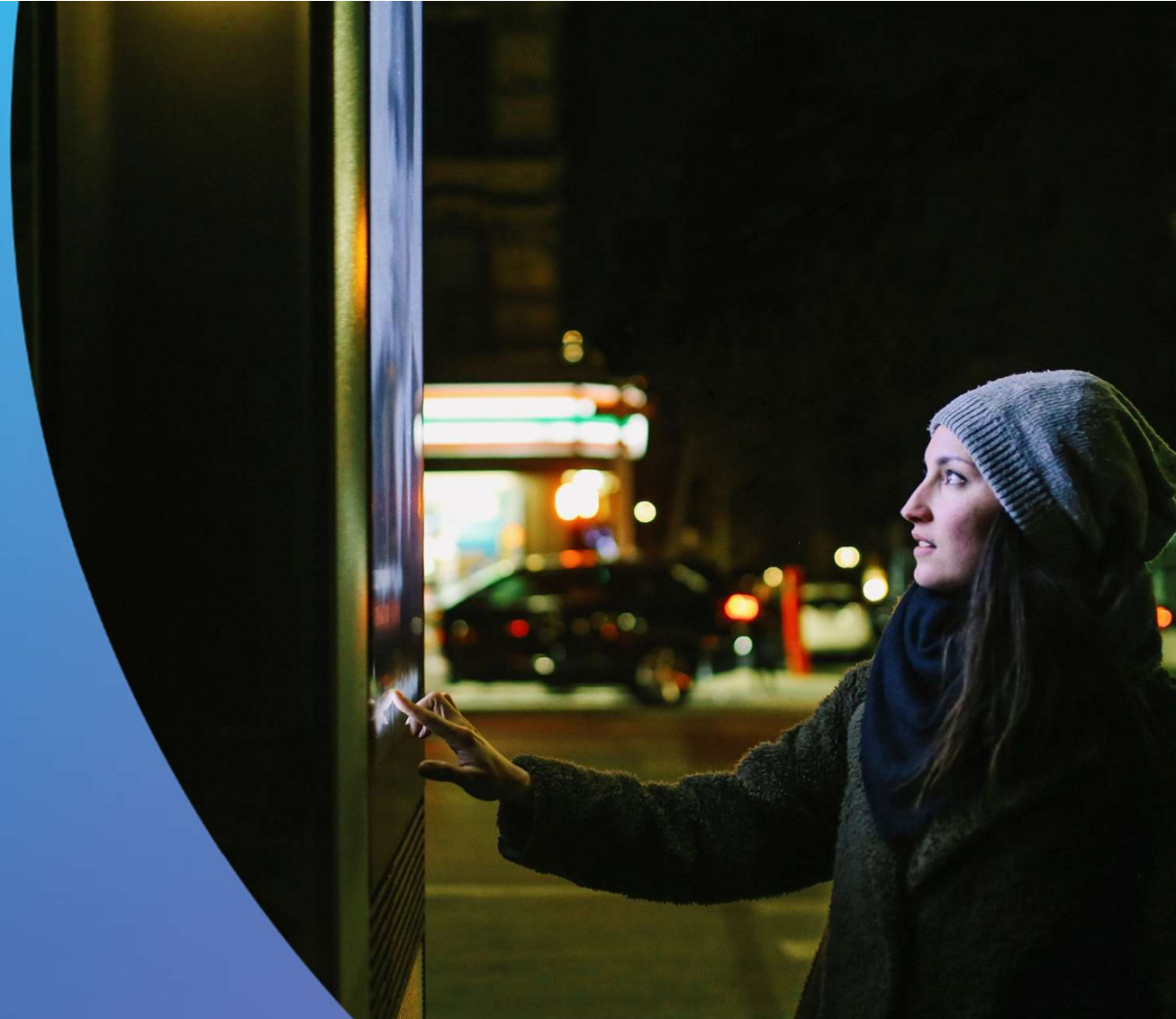
- prior periods ND/EBITDA: HY24 4.56x; FY24 4.42x
- ratings agency thresholds: S&P 5.0x, Moody's 5.25x
- financial covenants require senior debt ratio to be no greater than 5.5x
- borrowings increased \$105m from \$2,669m (FY24)
 - Long-term bank facilities of \$450m (\$215m drawn)
 - ~70% of interest rate exposure fixed for 3 years

NZ \$M

Term debt maturity profile



Transaction summary



Key terms of the Capital Notes

Issuer	Chorus Limited (" Chorus ")		
Description	Unsecured, subordinated, redeemable, cumulative, interest-bearing debt securities		
Purpose	Proceeds of the offer will be used to fund the partial repayment and redemption of the Crown Funding Securities due 30 June 25		
No guarantee	Chorus is the issuer and the sole obligor in respect of the Capital Notes. No other person guarantees the Capital Notes		
Ranking	The Capital Notes will rank equally along themselves and will be subordinated to all other indebtedness of Chorus, other than indebtedness expressed to rank equally with, or subordinated to, the Capital Notes		
Credit ratings		Chorus issuer credit rating	Expected Capital Notes issue credit rating
	S&P Global Ratings ("S&P")	BBB (Stable)	BB+
	Moody's Investors Service, Inc ("Moody's")	Baa2 (Stable)	Baa3/Baa1
	S&P's expected issue credit rating of the Capital Notes is two notches below S&P's issuer credit rating for Chorus. One notch is deducted due to the Capital Notes being subordinated and a second notch due to the potential for interest payments to be deferred Moody's expected issue credit rating of the Capital Notes is Baa3. This is one notch below Moody's issuer credit rating for Chorus		
Issue amount	Up to \$170m		
Term	31 years (maturing 3 June 2056)		
Reset Dates	3 June 2031 and every 5 years thereafter		
Optional early redemption by Chorus	On any date falling in the period of 3 months prior to the First Reset Date, any Reset Date, any Interest Payment Date after a Reset Date, or at any time if a Tax Event or Rating Agency Event occurs or if there are less than 100m Capital Notes on issue		
Interest Rate	The initial Interest Rate until the First Reset Date will be set following a bookbuild on 22 May 2025 as the sum of the 6 Year Benchmark Rate on the Rate Set Date plus the Initial Margin, subject to the Minimum Initial Interest Rate If not redeemed earlier, on each Reset Date the Interest Rate will be reset to the 5 Year Benchmark Rate on the relevant Reset Date plus the Applicable Margin		
Discretionary deferral of interest	Payment of interest can be deferred at any time for up to five years at the sole discretion of Chorus, with a distribution stopper in place while any unpaid interest remains outstanding Deferred interest is cumulative		
Quotation*	It is expected the Capital Notes will be quoted under the ticker code CNU050 on the NZX Debt Market		

Interest payments

Interest Rate

The Initial Margin and Interest Rate for the period until the First Reset Date (3 June 2031) will be set following the Bookbuild

If not redeemed prior, the Interest Rate to apply following the First Reset Date will be the sum of the 5 Year Benchmark Rate on the relevant Reset Date plus the Applicable Margin

The Applicable Margin means:

- from the First Reset Date to the First Step-up Date (3 June 2036), the Initial Margin
- from the First Step-up Date to the Second Step-up Date (3 June 2051), the Initial Margin plus 0.25% per annum
- from the Second Step-up Date, the Initial Margin plus 1.00% per annum

Interest deferral

An interest payment may be deferred at Chorus' discretion for up to 5 years

If deferred, the unpaid interest will remain owing and will itself accrue interest at the prevailing Interest Rate on the Capital Notes (in aggregate, the "**Unpaid Interest**")

If there is any Unpaid Interest outstanding, Chorus shall not:

- pay any dividends, distributions or payments of interest on any shares or securities ranking in liquidation pari passu with or after the Capital Notes; or
- acquire, redeem or repay any share or other security ranking in liquidation pari passu with or after the Capital Notes (or provide financial assistance for the acquisition of such shares or securities)

Issuer redemption rights

Chorus must redeem all the Capital Notes on the Maturity Date

The Supervisor may elect (and must elect if directed by a Noteholder Extraordinary Resolution) to demand repayment of all the Capital Notes early if an Event of Default occurs which is continuing

Chorus also has a right to redeem all or some Capital Notes:

- (i) on any Reset Date
- (ii) on any date falling in the period of 3 months prior to the First Reset Date
- (iii) on any Interest Payment Date after a Reset Date
- (iv) at any time if a Tax Event or Rating Agency Event occurs

Chorus may also elect to redeem all Capital Notes at any time if there are less than 100m Capital Notes on issue

The redemption price will be:

If redemption is on the Maturity Date, following an Event of Default, on a Reset Date, on any date falling in the period of 3 months prior to the First Reset Date, where there are less than 100m Capital Notes on issue or due to the occurrence of a Tax Event:

- i) the Principal Amount plus Unpaid Interest plus accrued interest

If redemption occurs on any Interest Payment Date after a Reset date, or due to the occurrence of a Rating Agency Event, the higher of:

- i) the Principal Amount plus Unpaid Interest plus accrued interest; and
- ii) the market price, which will include accrued interest

A partial redemption will be permitted only to the extent there will be at least 100m Capital Notes outstanding after the partial redemption

Early redemption drivers

2031 - Year 6

- Capital Notes are redeemable at par whereas any subsequent call between Reset Dates will be at the higher of par and market value (unless less than 100m Capital Notes on issue or due to the occurrence of a Tax Event)
- S&P equity content falls to minimal (0%), S&P treats the Capital Notes as 100% debt in Chorus' financial ratios
- The outcomes of not redeeming are not consistent with the rationale for the issue

2036 - Year 11

- First Step-up Date, after which the margin will increase by 0.25% (Applicable Margin = Initial Margin plus 0.25%)

2046 - Year 21

- Moody's equity content falls to 0%, Moody's treats the Capital Notes as 100% debt in Chorus' financial ratios

2051 - Year 26

- Second Step-up Date, after which the margin will increase by 0.75% (Applicable Margin = Initial Margin plus 1.00%)

- Notwithstanding these early redemption drivers, Chorus considers that hybrid securities that are ascribed equity content, such as the Capital Notes, will be a key feature of its capital structure going forward
- As such, if Chorus chooses to redeem the Capital Notes early, current expectation is that equivalent replacement securities would be issued to fund that redemption

Chorus Capital Note vs Contact Energy capital bond - summary


	Chorus Capital Notes	Contact Energy capital bonds ²
Ranking	Unsecured and subordinated	Unsecured and subordinated
Interest payments	Quarterly	Quarterly
Interest deferral	Yes	Yes
Distribution Stopper	Yes	Yes
Cumulative	Yes	Yes
Term	31 years	30 years
First Reset Rate	6 years	5 years
Equity content	Intermediate (S&P) - 50% ¹ Basket 'M' (Moody's) - 50% ¹	Intermediate (S&P) - 50%
Step-ups	Two step-ups: <ul style="list-style-type: none"> • 0.25% at year 11; plus • 0.75% at year 26 (cumulative 1.00% above Initial Margin) 	Single step-up: <ul style="list-style-type: none"> • 0.25% at year 5
Equity content cliff	S&P - year 6 Moody's - year 21	S&P - year 10
Issue credit ratings	S&P - BB+ ¹ Moody's - Baa3 ¹	S&P - BB+
Issuer early redemption rights	Reset Date, Tax Event, Rating Agency Event, any Interest Payment Date after Reset Date, <100m on issue, on any date during the period falling 3 months prior to First Reset Date	Reset Date, Tax Event, Rating Agency Event, any Interest Payment Date after Reset Date, <100m on issue
Election process	No	Yes

1. Expected

2. CEN060 and CEN090 capital bonds currently quoted on NZX Debt Market

Note this is a high-level summary only, and does not purport to set out or compare all key terms of these issuances

Ranking of Capital Notes

	Ranking on liquidation	Type of liability/equity	Amount ¹
Higher ranking / Earlier priority  Lower ranking / Later priority	Liabilities that rank above the Capital Notes	Liabilities preferred by law (for example, Inland Revenue for certain unpaid taxes) ² Other borrowings secured over assets of Chorus Unsubordinated and unsecured liabilities, including Chorus' bank debt, NZX-listed senior bonds, Euro Medium Term Notes and Australian Medium Term Notes, and the Senior Portion of the Crown Funding Debt Securities	\$19m \$0m \$3,088m
	Liabilities that rank equally with the Capital Notes	Capital Notes ³	\$170m
	Liabilities that rank below the Capital Notes	Subordinated Portion of the Crown Funding Debt Securities	\$253m
		Other subordinated liabilities (Crown Funding Equity Securities)	\$768m
	Equity ⁴	Shares, reserves and retained earnings	\$662m

1. Amounts shown above are indicative based on the financial position of Chorus as at 31 December 2024, adjusted for the issue of the Capital Notes and the repayment and redemption of the Crown Funding Securities due 30 June 2025. They are subject to rounding adjustments
2. Liabilities that may, depending on the source of payment, rank above the Capital Notes on liquidation include employee entitlements for unpaid salaries and wages, holiday pay and bonuses, and PAYE, and amounts owing to the Inland Revenue for unpaid taxes and goods and services tax. There are typically other liabilities which are preferred by law or secured, including enforcement costs and similar, which arise when a company is in liquidation which are not possible to foresee and cannot therefore be quantified
3. Assuming \$170m of Capital Notes are issued under the Offer. If less than \$170m of Capital Notes are issued, the amount of the shortfall may be reflected in a higher amount for Chorus' "Other subordinated liabilities" and/or "Unsubordinated and unsecured liabilities"
4. The amount of equity stated above includes an amount in relation to Chorus' existing quoted equity securities (i.e., Chorus' ordinary shares which are quoted on the NZX Main Board)

Key information and timeline

Bookbuild process

Standard bookbuild process

NZX Firms, institutional investors and other approved parties to be invited to participate in the bookbuild process

No public pool

Minimum applications

\$5,000 and multiples of \$1,000 thereafter

Fees

Firm fees of 0.50%

Retail brokerage of 0.50%

Joint Lead Managers

Bank of New Zealand

Forsyth Barr

2025	Friday, 9 May	PDS lodgement
	Monday, 19 May	Opening Date Indicative pricing announced
	Thursday, 22 May	Closing Date (11am) Rate Set Date
	Tuesday, 3 June	Issue Date
	Wednesday, 4 June	Quotation Date
	3 September	First Interest Payment Date
2031	3 June	First Reset Date S&P equity content expected to fall to 0%
2036	3 June	First Step-up Date
2046	3 June	Moody's equity content expected to fall to 0%
2051	3 June	Second Step-up Date
2056	3 June	Maturity Date

Appendices



Market information

	31 Dec 2023	31 March 2024	30 June 2024	30 Sept 2024	31 Dec 2024	31 March 2025
Baseband copper (no broadband)	57,000	51,000	45,000	40,000	34,000	29,000
Copper ADSL (includes naked)	68,000	62,000	56,000	49,000	44,000	39,000
VDSL (includes naked)	68,000	62,000	55,000	49,000	44,000	39,000
Data services (copper)	1,000	1,000	1,000	1,000	1,000	NM
Fibre broadband (GPON)	1,052,000	1,064,000	1,074,000	1,083,000	1,089,000	1,098,000
Fibre premium (P2P)	10,000	10,000	10,000	9,000	9,000	9,000
Total connections*	1,256,000	1,250,000	1,241,000	1,231,000	1,221,000	1,214,000

Copper connections declined 16k in Q3 and total 107k

Total fibre connections grew 9k in Q3 and total 1,107k

*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

Pricing update

Fibre plan - consumer	Current wholesale price	Price before 1 Jan 2025	Notes
Voice line	\$30.59	\$29.11	
Home starter 50/10Mbps	\$38	\$35	Wholesale price applies where retail price is \$65. 50/10Mbps upgrades to 100/20Mbps from end FY25.
50/10Mbps	\$53.96	\$50.43	
100/20Mbps 300/100Mbps	\$56.28	\$53.54	100Mbps is anchor service. 300/100Mbps service upgrades to 500/100Mbps from end FY25.
1Gbps	\$66.19	\$61.86	
Hyperfibre 2Gbps	\$74.90	\$70	
Hyperfibre 4Gbps	\$90.95	\$85	
Hyperfibre 8Gbps	\$117.70	\$110	

Copper pricing	Current wholesale price	Price before 16 Dec 2024	Notes
Copper line	\$39.03	\$38.21	Annual CPI adjustment mid-December 2024
Copper broadband	\$52.18	\$51.08	

Our regulatory framework

- Chorus is required to provide wholesale services to retailers on a non-discriminatory basis
- Chorus fibre access services, excluding fibre in other fibre company areas, operate under a Regulated Asset Base (RAB) building blocks regime. The Commerce Commission sets a Maximum Allowable Revenue (MAR) that includes a mechanism for revenue wash-ups and inflation and is also used for electricity lines and gas network businesses.
- copper services can be withdrawn with 6 months' notice in areas where fibre is available and the Commerce Commission made a draft recommendation in March to deregulate copper services where fibre is not available.

Areas where fibre is available (~87% population)

- Chorus can withdraw copper services in accordance with Copper Withdrawal Code set by Commission
- a RAB building blocks regime with revenue cap applies to specified fibre access services outside of other fibre company areas
- the building blocks regime was first introduced for 2022-2024, with settings for the next period 2025-2028 just confirmed

Areas where fibre is not available (~13% population)

- Chorus supplies copper fixed line services to a diminishing customer base
- the Commerce Commission's final recommendation on copper deregulation is due to government by end of 2025
- a Telecommunications Service Obligation (TSO) for voice services applies to residential addresses that existed in 2001

Regulatory information

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
TCS D 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

Income Statement

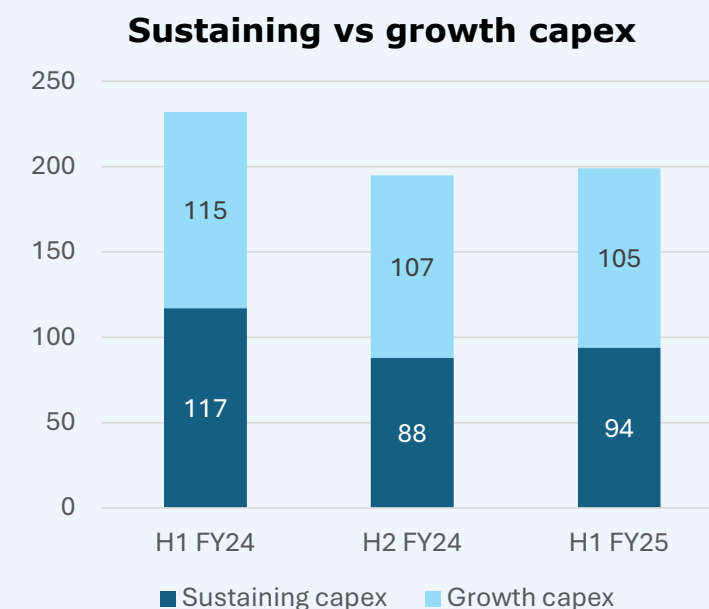
	H1 FY25 \$m	H2 FY24 \$m	H1 FY24 \$m	
Operating revenue	500	507	503	▪ decline in legacy revenues offsetting fibre growth
Operating expenses	(154)	(154)	(156)	▪ legacy costs reducing, but savings partly offset by inflation and spend to explore new revenue opportunities
Earnings before interest, tax, depreciation and amortisation (EBITDA)	346	353	347	
Depreciation and amortisation	(235)	(234)	(228)	▪ \$48m total depreciation across copper assets, up from \$45m in HY24 due to acceleration on copper related poles
Earnings before interest and income tax	111	119	119	
Net interest expense	(109)	(110)	(107)	▪ weighted average interest rate on debt reduced from 5.8% to 5.7% (includes accounting adjustments)
Net earnings before income tax	2	9	12	
Income tax expense	(7)	(23)	(7)	▪ H2 FY24 included \$15m non-cash expense from law change for deductibility of tax depreciation on buildings
Net (loss)/earnings	(5)	(14)	5	

Capex

Gross capex	H1 FY25 \$m	H2 FY24 \$m	H1 FY24 \$m
Sustaining capex*	94	88	117
Discretionary growth capex	105	107	115
Gross capex	199	195	232
Less Third-party contributions**	(24)	(25)	(30)
Net capex	175	170	202

***Sustaining capex** is investment to maintain, replace or improve an existing asset.

** **Third-party contributions** included \$2m of government grants that were applied to the balance sheet for specific projects. Other contributions were recognised as revenue.



Capex split

RAB capex*	H1 FY25 \$m	H2 FY24 \$m	H1 FY24 \$m
Extending the network – growth	45	26	29
Installations – growth	54	70	81
IT & Support - sustaining	27	33	31
Network capacity - sustaining	35	26	39
Network sustain & enhance - sustaining	18	16	19
Gross RAB capex	179	171	199
less Third-party contributions**	(18)	(15)	(24)
Net RAB capex	161	156	175

Non-RAB capex	H1 FY25 \$m	H2 FY24 \$m	H1 FY24 \$m
Copper - growth	2	4	1
Copper - sustaining	4	6	12
Other - growth	4	7	4
Other - sustaining	10	7	16
Gross non-RAB capex	20	24	33
less Third-party contributions	(6)	(10)	(6)
Net non-RAB capex	14	14	27

* HY25 unaudited. Final allocation for HY25 to be determined for 2025 Information Disclosure.

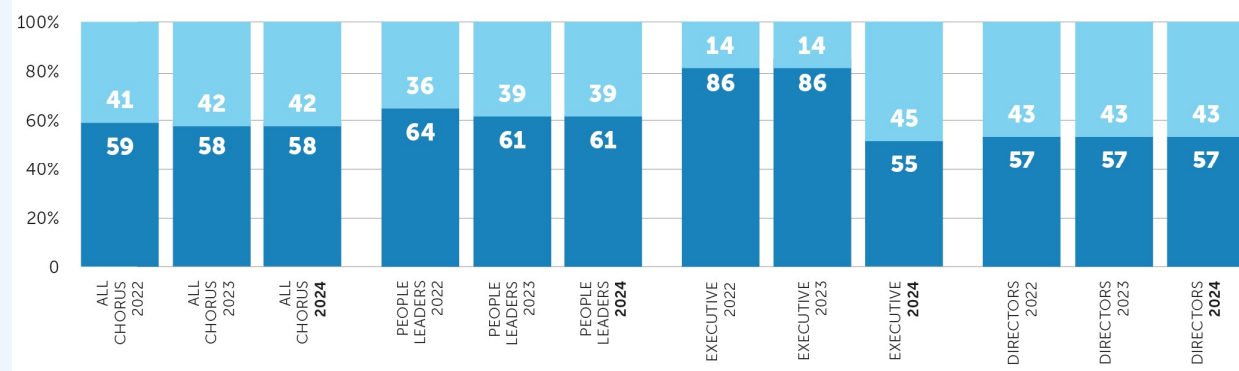
**Third-party contributions are deducted from capex when calculating the value of RAB assets

Sustainability

	FY22	FY23	FY24
Health & Safety: Recordable injuries	18	8	8
Electricity use (gigawatt hours)	81	77.4	75.1
Emissions Scope 1 & 2 (tonnes CO ₂ e)	10,456*	6,544*	6,387
Waste – tonnes (% recycled)	287 (67%)	368 (87%)	339 (93%)
Gender diversity (all Chorus)	41%F/59%M	42%F/58%M	42%F/58%M
Employee engagement (out of 10)	8.5	8.7	8.6

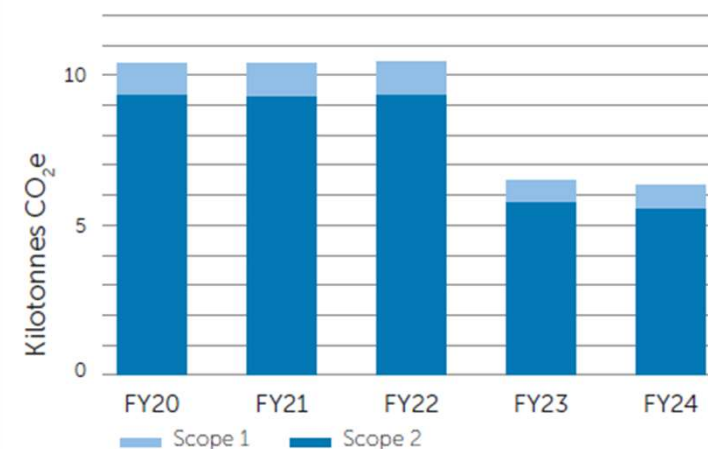
* Prior years emissions (FY22 and FY23) restated using retrospective emissions factor updates released by Ministry for the Environment in FY24, and reflecting improved data quality.

Gender by role - FY22 - FY24 (as of 30 April 2024)



<https://company.chorus.co.nz/sustainability>

Scope 1 & 2 emissions reduction from FY20 base year



Science-based target*



Progress against target



* Our targets follow guidance from the Science-based Targets Initiative (SBTi) for the Information Communications Technology (ICT) sector