

CH • RUS

Capital Notes Offer

May 2025

Joint Lead Managers:



Disclaimer

Please read carefully before the rest of this presentation

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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

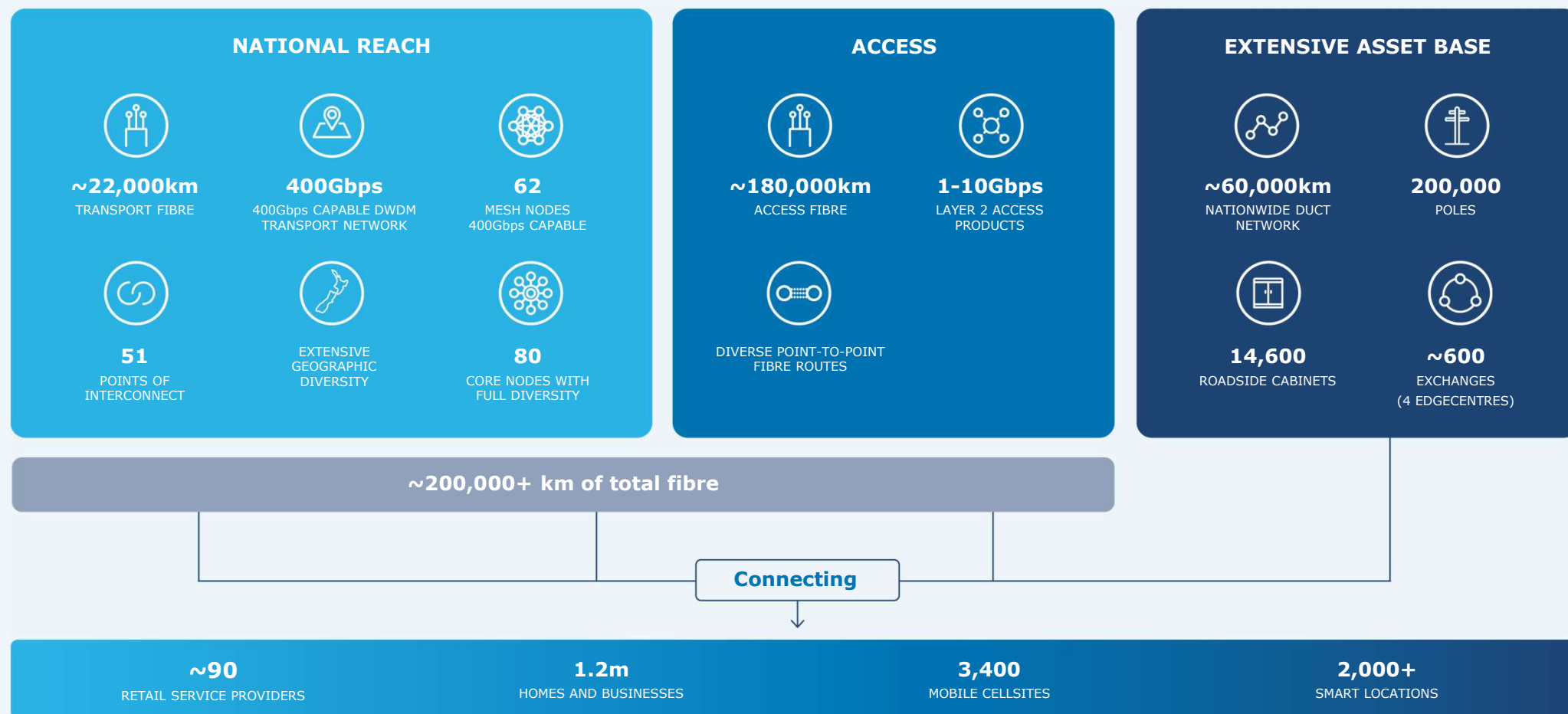
- wholesale-only business with ~90 retail service provider customers
- Chorus fibre passes 1.5m addresses, built under public-private-partnership
- ~72% uptake today, striving for 80% fibre uptake by 2030
- regulated asset base and revenue cap regime on fibre
- copper network retirement enabling removal 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\$3.5bn market cap at 22 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)

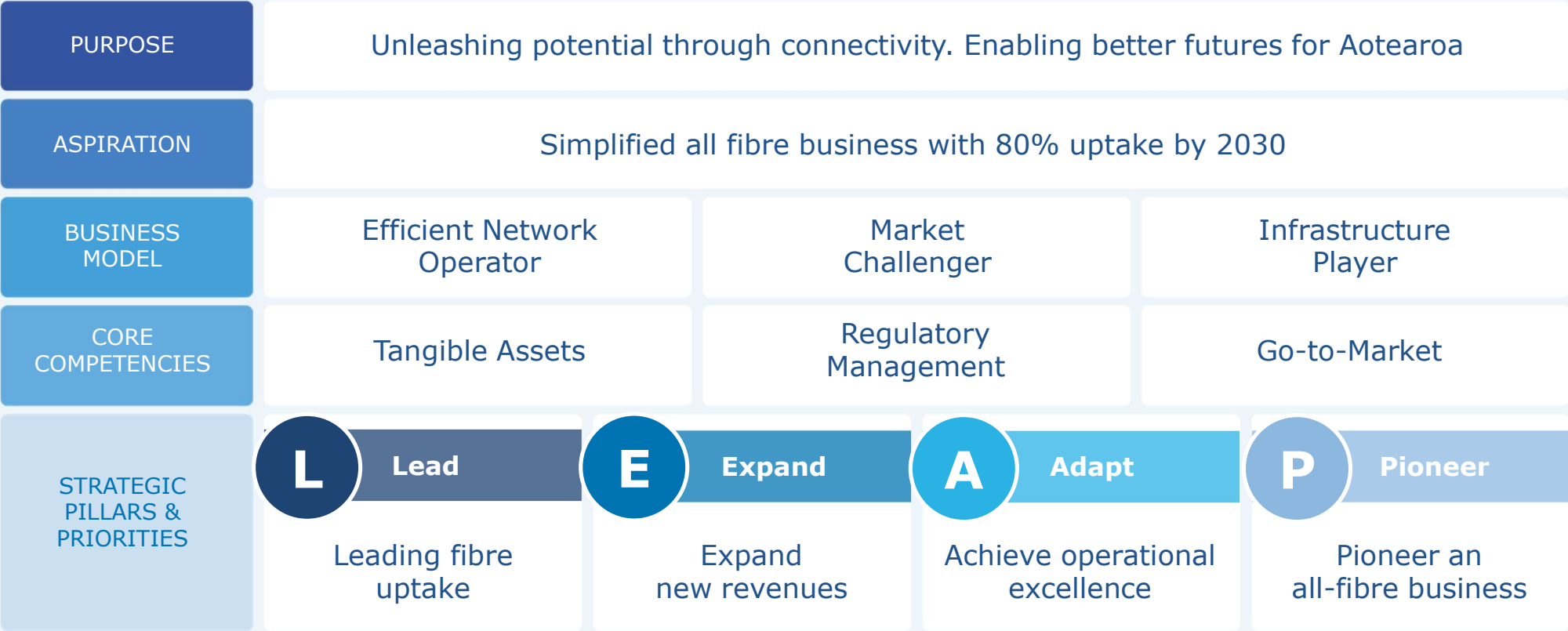


New Zealand's largest digital infrastructure 'neutral host'



Our Road to 2030

Growth, Simplicity & Efficiency

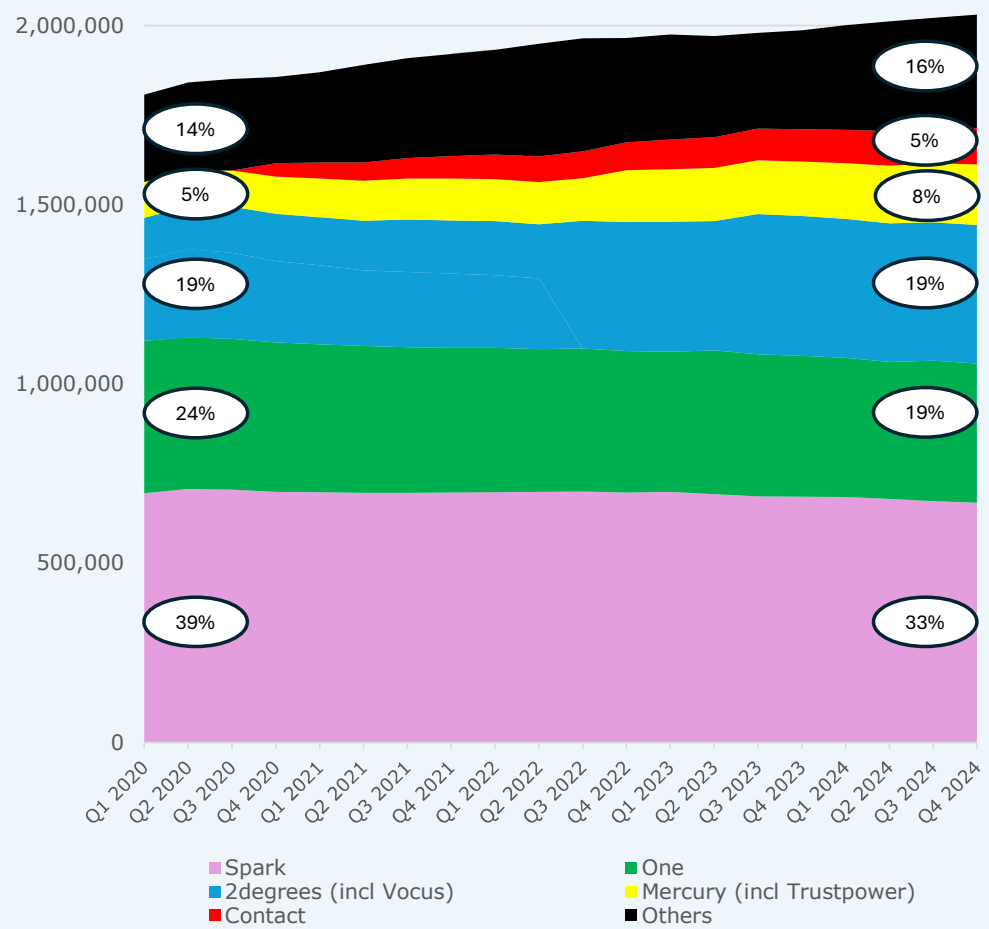


Our market context

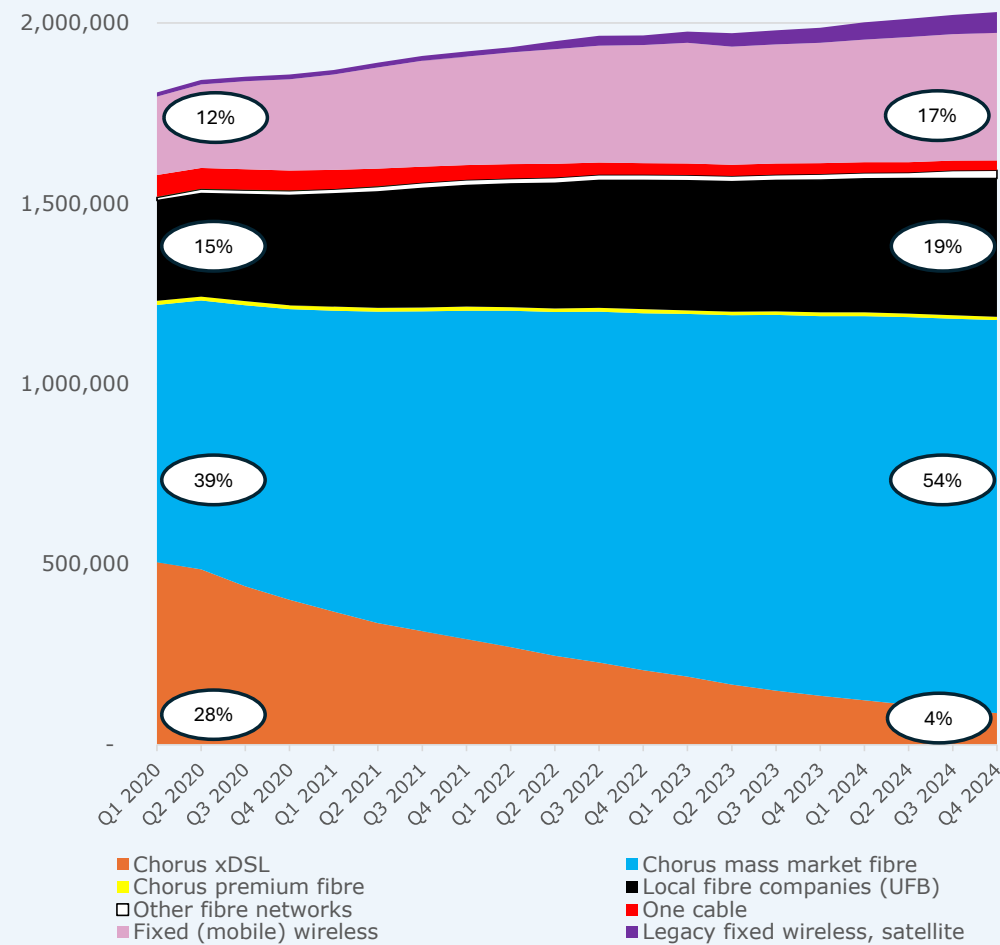


The New Zealand broadband market

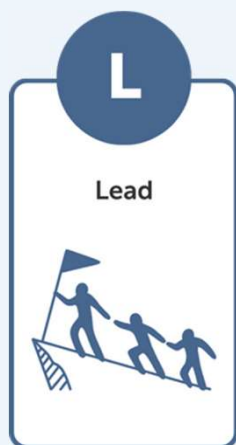
NZ broadband market – by retailer



NZ broadband market – by technology



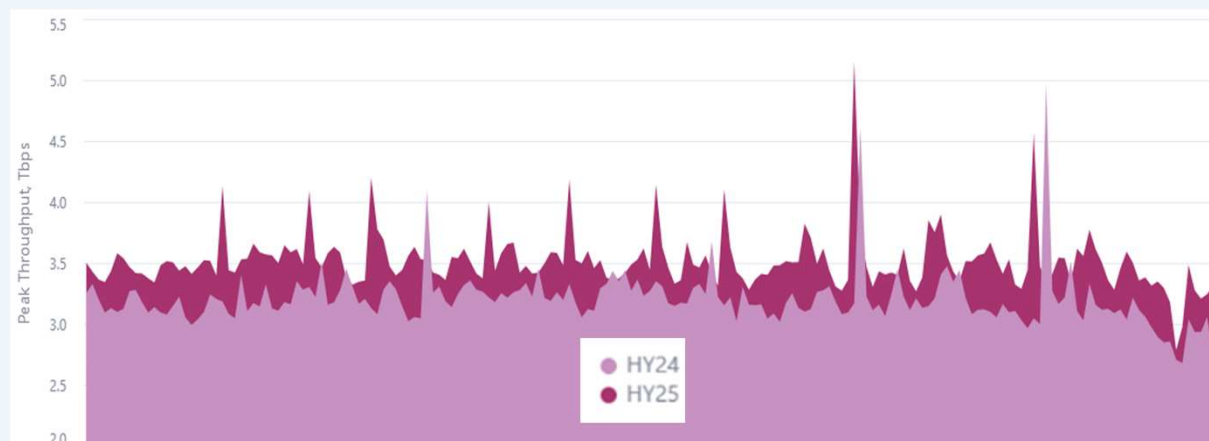
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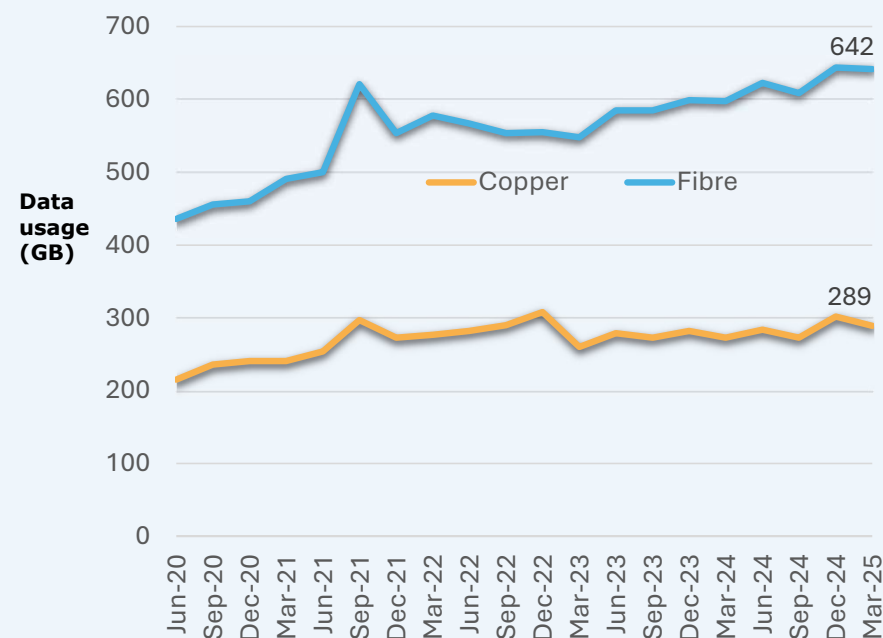
Record data use and more peak events

- 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.



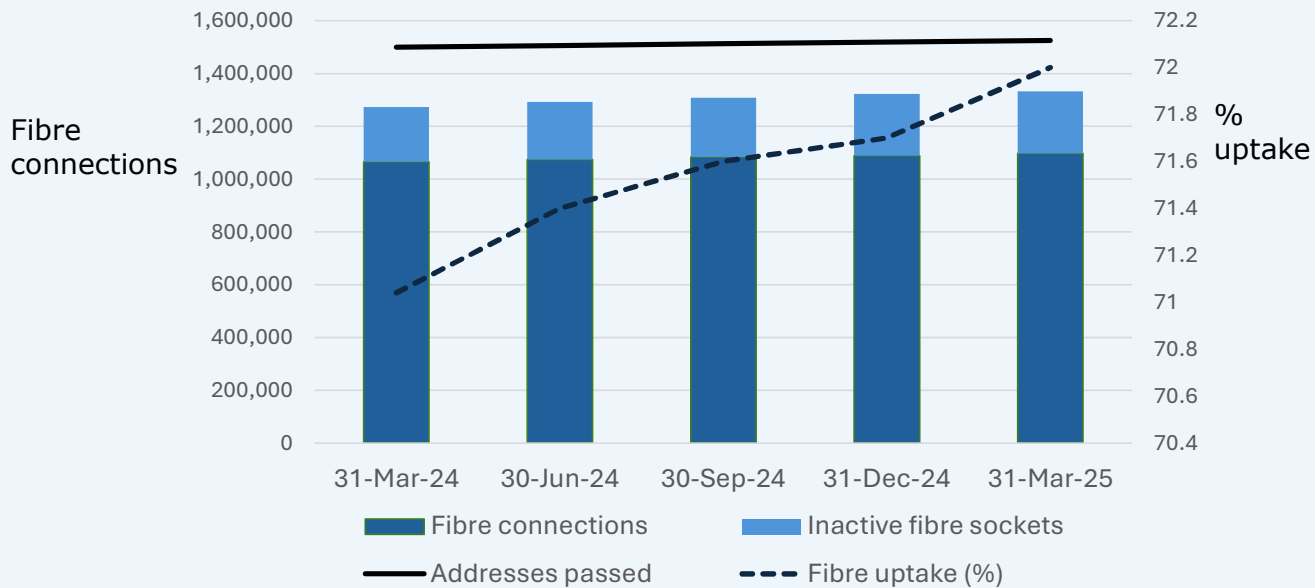
1YB* of data = 1 million trillion megabytes or the amount of data that would fit on DVDs stacked all the way to Mars. (225 million km)



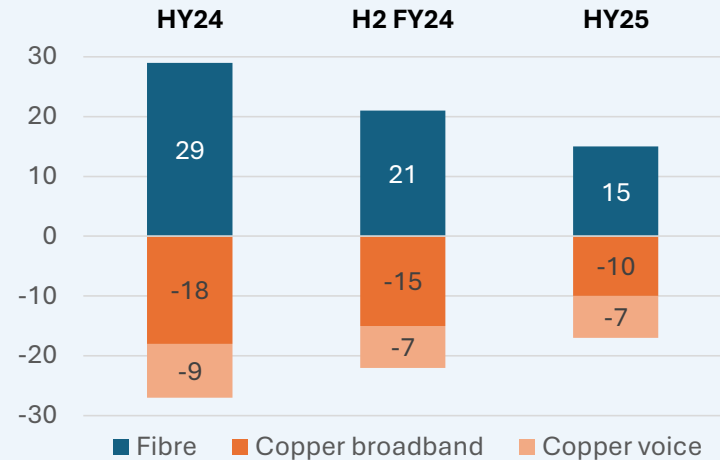
Fibre growth has continued in slower market

- 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)



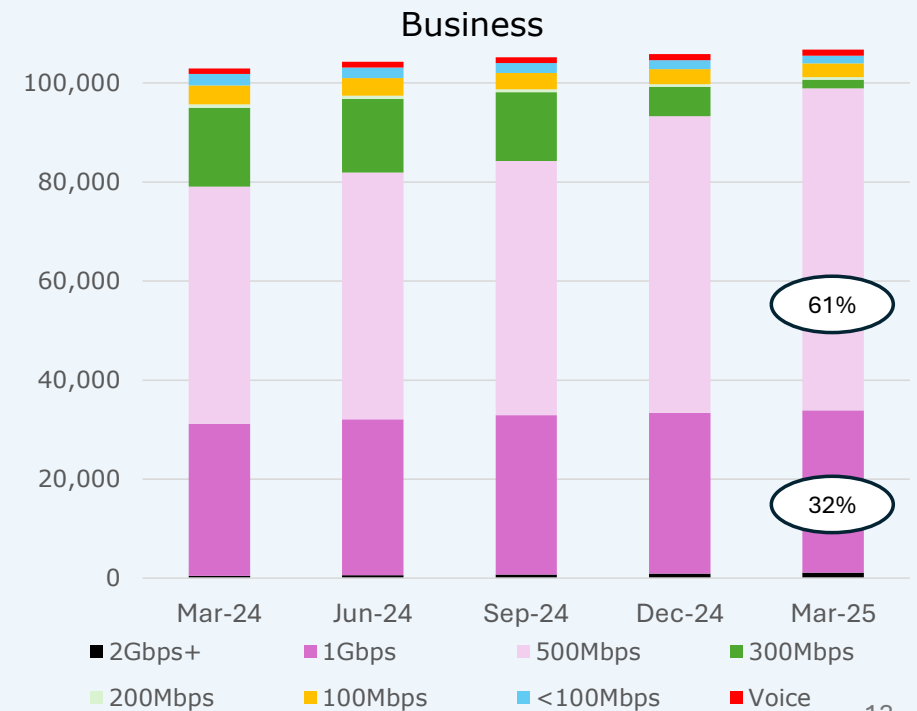
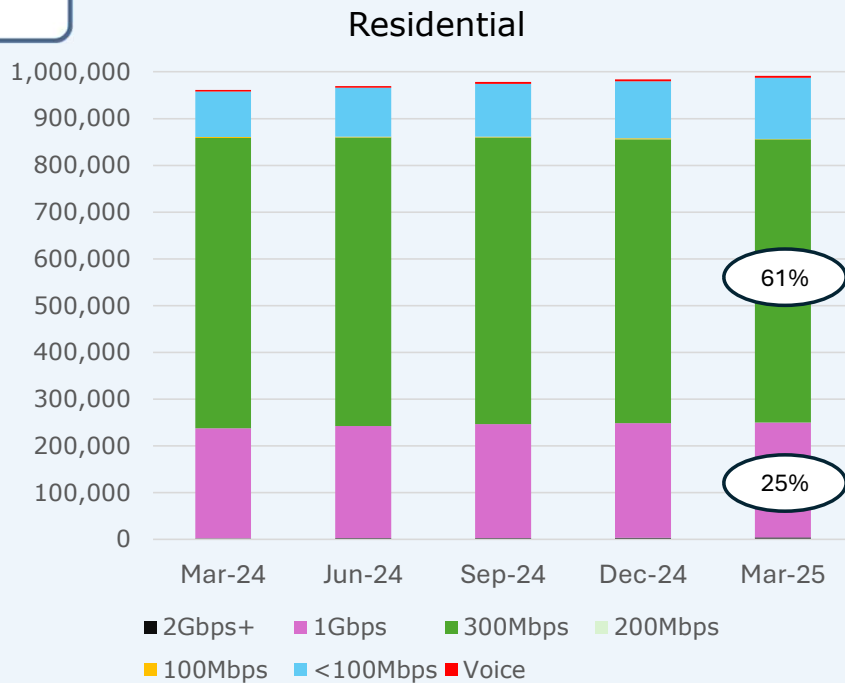
Change in mass market connections in Chorus fibre area ('000s)





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

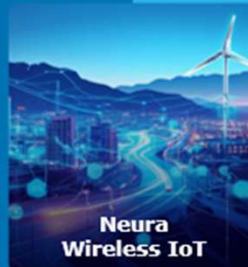
Expand



Driving digital infrastructure revenue growth

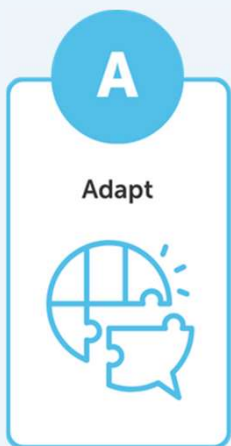
- infrastructure revenues \$77m in HY25 (target: annual \$180m-\$200m by 2030)
- 'greenfield' property activity stabilising back at pre-Covid levels (~20k-25k lots p.a.)
- steady growth in data connectivity demand (e.g. smart locations, mobile backhaul, EdgeCentre)
- IoT: proof of value trials with councils/utilities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

Existing expertise and revenues

FOCUS
AREAS

Exploring adjacent opportunities





Regulatory certainty on fibre to 2029

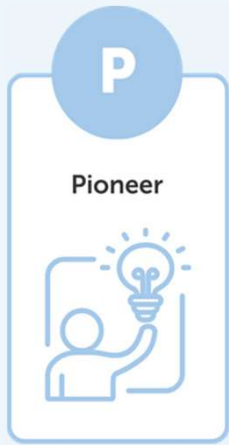
- final maximum allowable revenue (MAR) decision (December 2024) defers \$256m of core fibre asset depreciation from price-quality period 2* (PQP2)
- we expect opening core regulated asset base (RAB) to grow from \$4.99bn (Commission forecast at 13 Dec 2024) to ~\$5.4bn through PQP2, based on final capex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

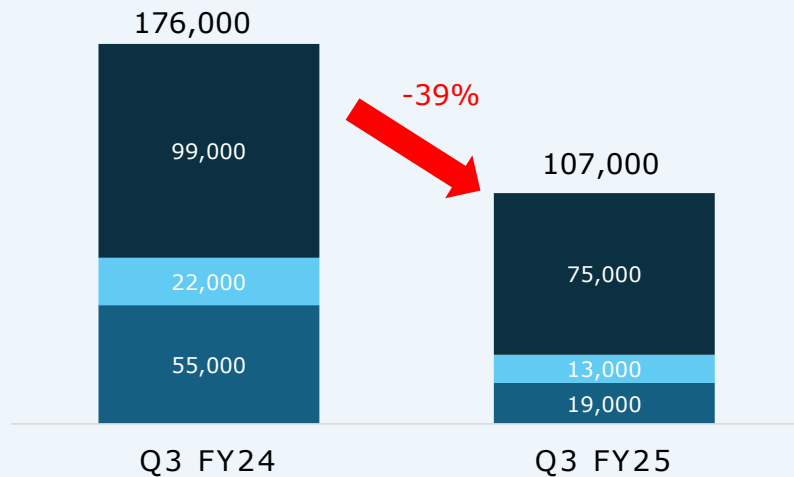


Copper retirement is coming into focus

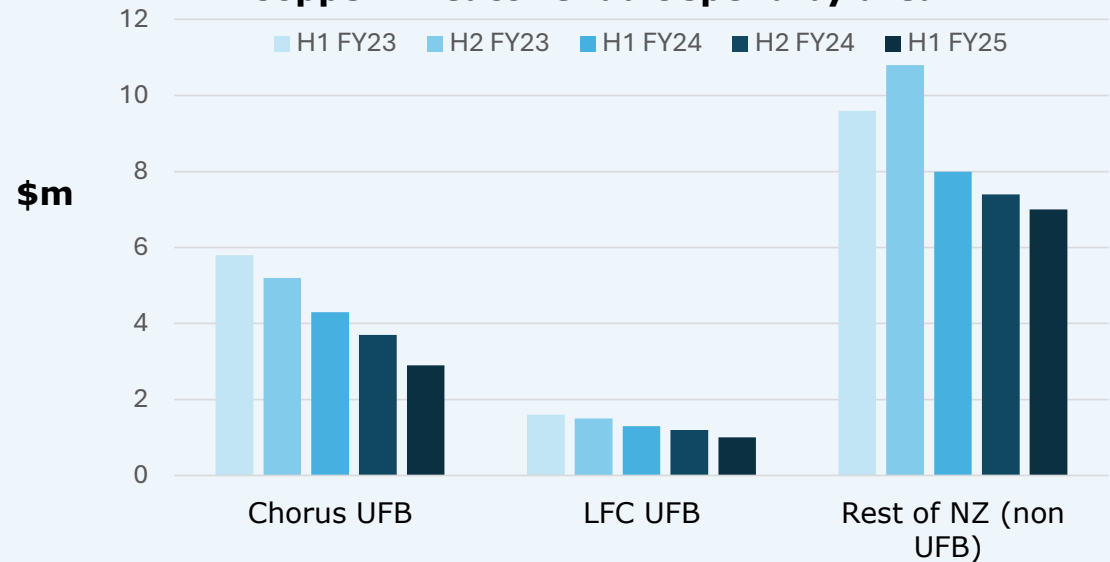
- shutdown of copper in Chorus fibre areas now expected by end FY26; fewer than 19k lines in service
- 24% reduction in non-fibre area copper lines since Q3 FY24 (target: copper shutdown by 2030)
- Chorus' ~10k premises fibre rollout is reducing copper further with 2.5k premises ready for service and 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

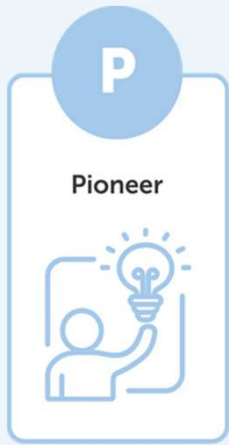
Remaining copper lines

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



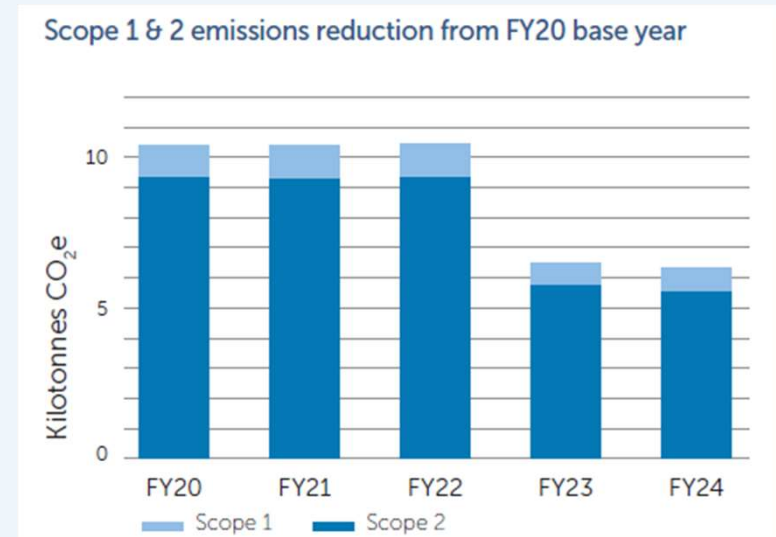
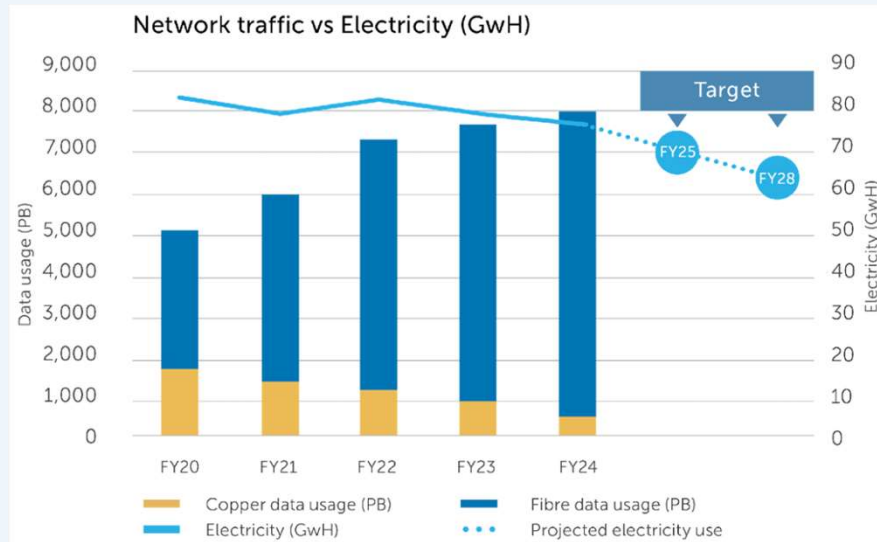
Copper – reactive fault spend by area





Fibre enables a more resilient future

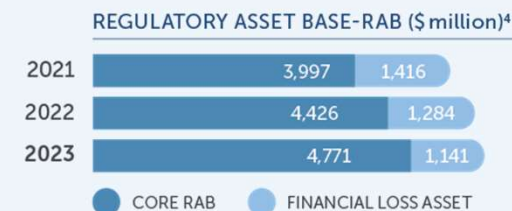
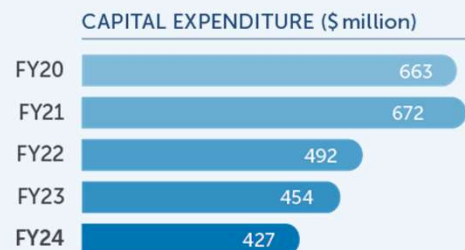
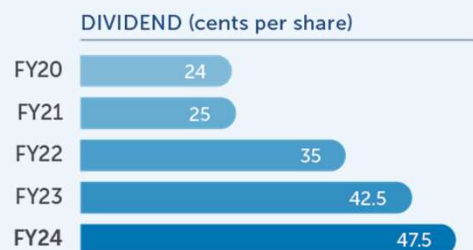
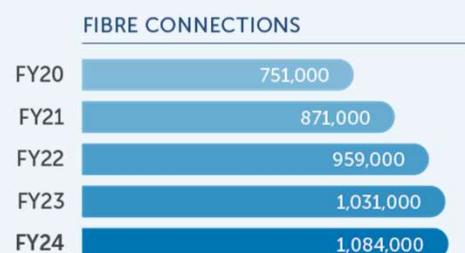
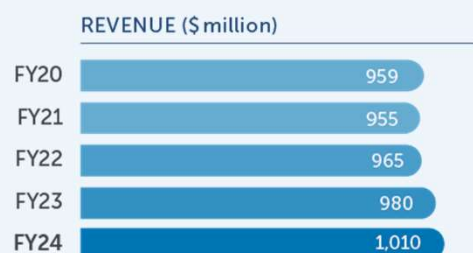
- fibre broadband has a much lower fault rate than copper (~5% vs ~30% per annum) and is widely recognised as the most energy efficient broadband technology
- Chorus carried 8% more data traffic in FY24, but reduced electricity usage by 3% by removing legacy equipment
- reduced electricity use and ~87% 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

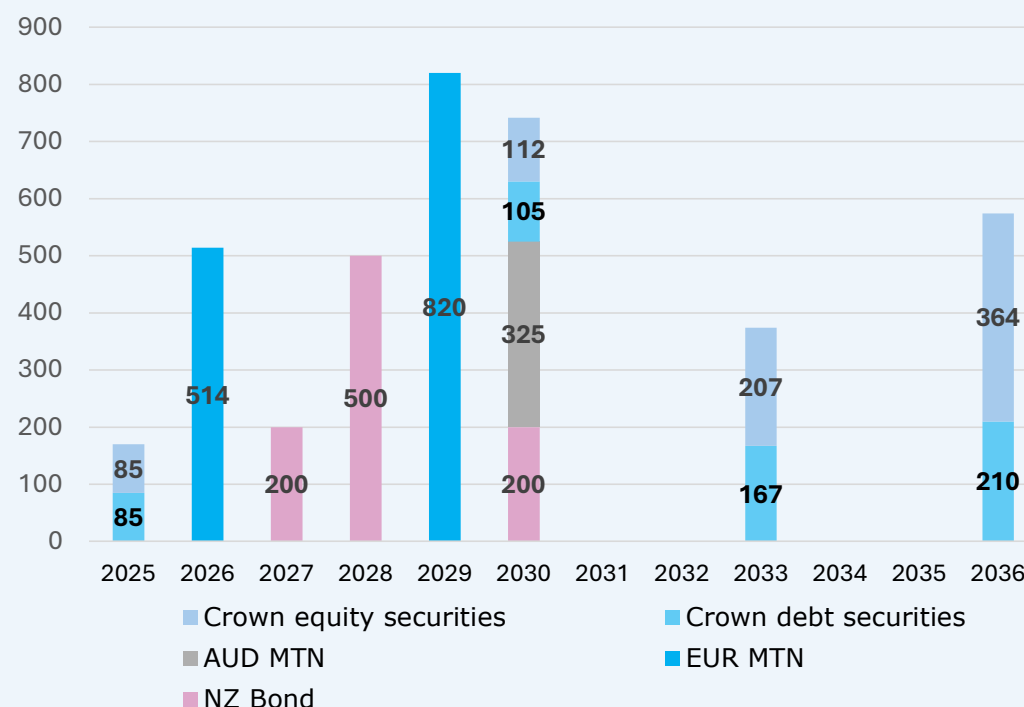
| As at 31 Dec 2024 | (\$m) |
|--|--------------|
| Borrowings | 2,774 |
| + PV of crown debt securities (senior portion) | 314 |
| + Net leases payable | 166 |
| Sub total | 3,254 |
| - Cash | 83 |
| Total net debt | 3,171 |
| Net debt/EBITDA* | 4.54x |

*based on S&P and bank covenant methodologies

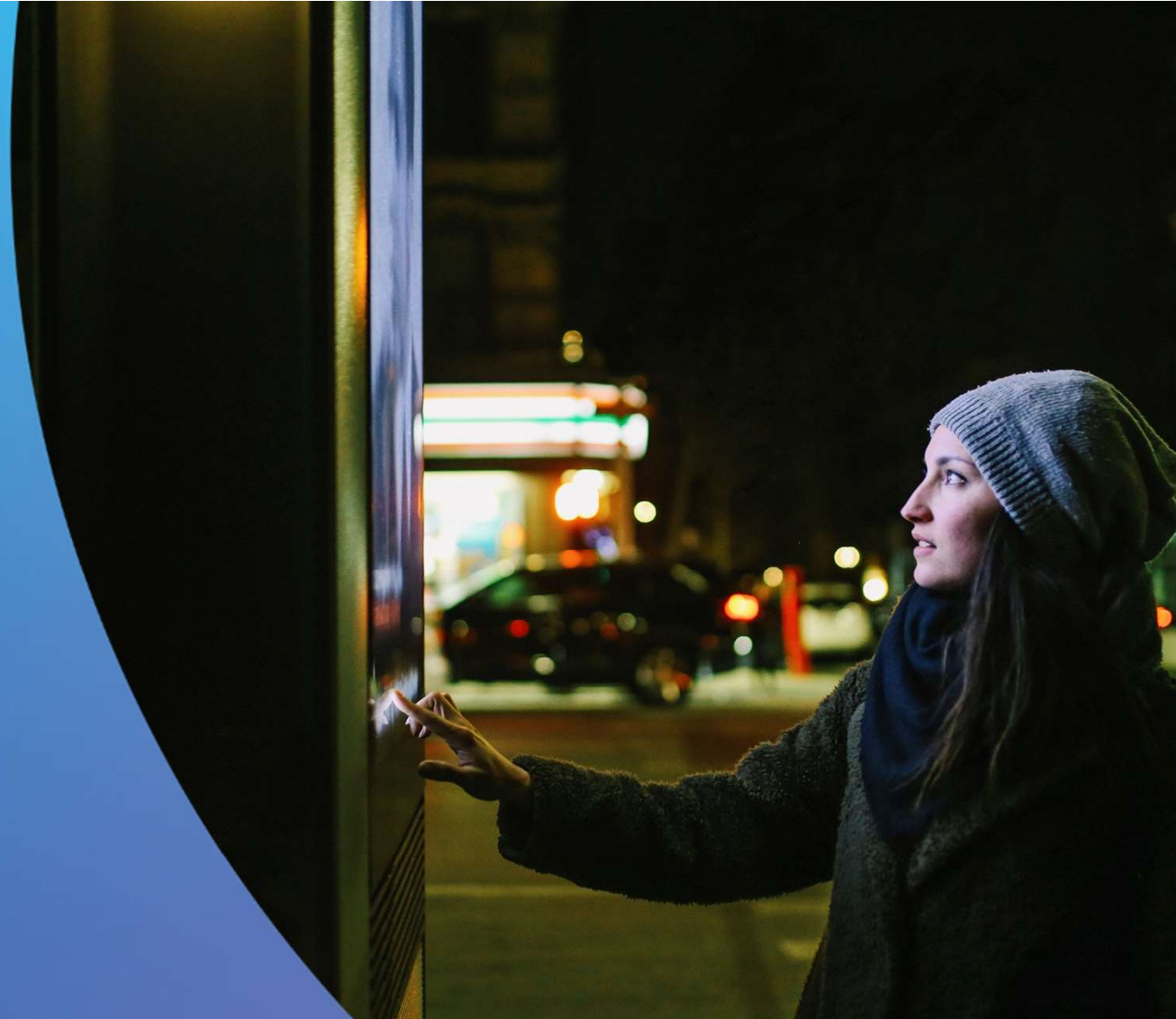
- prior periods ND/EBITDA: HY24 4.56x; FY24 4.42x
- ratings agency thresholds: S&P 5.0x, Moody's 5.25x
- financial covenants require senior debt ratio to be no greater than 5.5x
- borrowings increased \$105m from \$2,669m (FY24)
 - Long-term bank facilities of \$450m (\$215m drawn)
 - ~70% of interest 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 2025 | | |
| 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 among 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 | Capital Notes issue credit rating |
| | S&P Global Ratings ("S&P") | BBB (Stable) | BB+ |
| | Moody's Investors Service, Inc ("Moody's") | Baa2 (Stable) | Baa3 |
| | S&P's 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 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 6 June 2056) | | |
| Reset Dates | 6 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 29 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 (6 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 (6 June 2036), the Initial Margin
- from the First Step-up Date to the Second Step-up Date (6 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 expected to fall 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 expected to fall 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 ³ (S&P) - 50% Basket 'M' (Moody's) - 50% | 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 ¹ Moody's - year 21 ¹ | S&P - year 10 ¹ |
| Issue credit ratings | S&P - BB+ Moody's - Baa3 | 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

3. S&P will treat any amount exceeding its 15% hybrid capitalisation threshold as 100% debt in its adjusted credit metrics

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 23 May | Replacement PDS lodgement |
| | Monday, 26 May | Opening Date Indicative pricing announced |
| | Thursday, 29 May | Closing Date (11am) Rate Set Date |
| | Friday, 6 June | Issue Date |
| | Monday, 9 June | Quotation Date |
| | 6 September | First Interest Payment Date |
| 2031 | 6 June | First Reset Date S&P equity content expected to fall to 0% |
| 2036 | 6 June | First Step-up Date |
| 2046 | 6 June | Moody's equity content expected to fall to 0% |
| 2051 | 6 June | Second Step-up Date |
| 2056 | 6 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

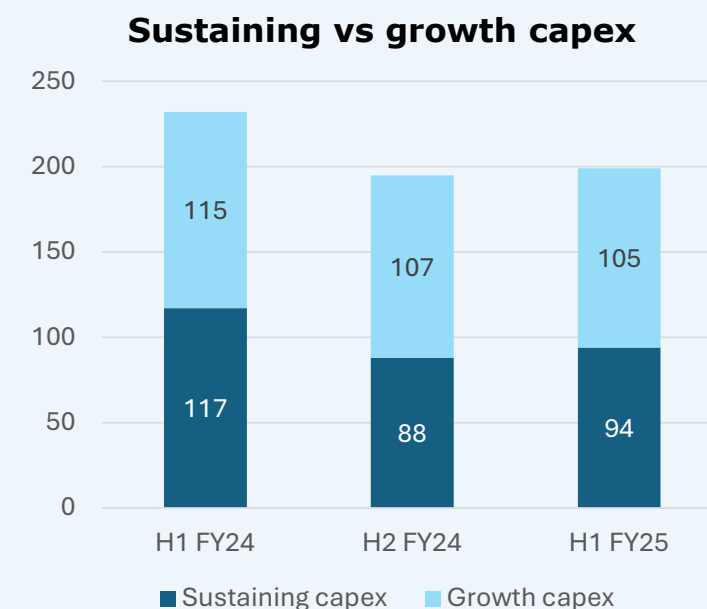
| | H1 FY25 \$m | H2 FY24 \$m | H1 FY24 \$m | |
|--|-------------------|-------------------|-------------------|--|
| Operating revenue | 500 | 507 | 503 | ▪ decline in legacy revenues offsetting fibre growth |
| Operating expenses | (154) | (154) | (156) | ▪ legacy costs reducing, but savings partly 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.

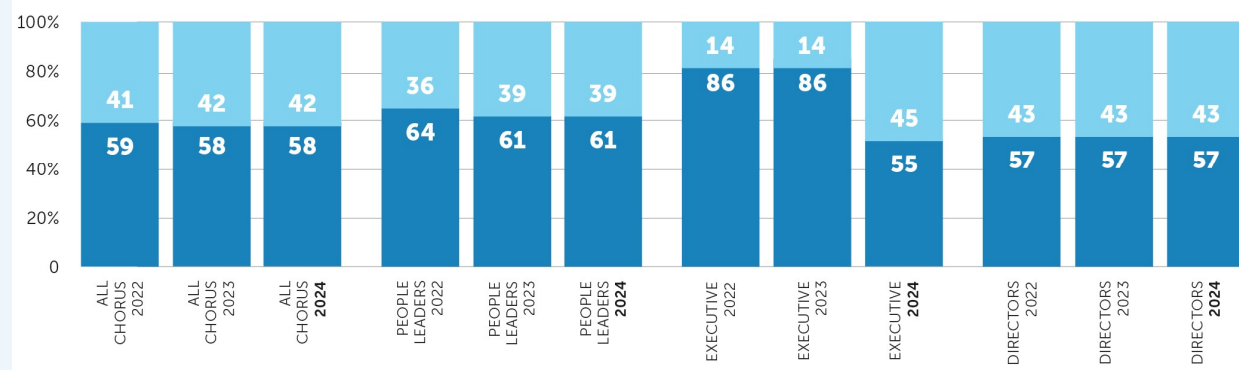
**Third-party contributions are deducted from capex when calculating the value of RAB assets

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 |

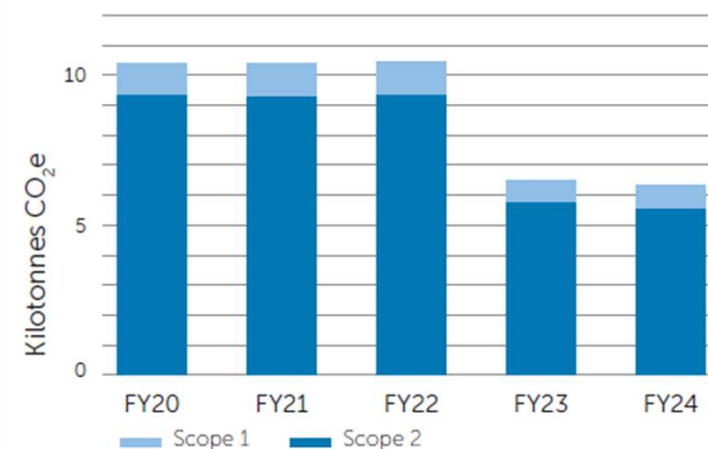
* Prior years emissions (FY22 and FY23) restated using retrospective emissions factor updates released by Ministry for the Environment in FY24, and reflecting improved data quality.

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