CHORUS

ANNUAL REPORT 2025

For the 12 months ended 30 June 2025

Unleashing potential through connectivity.
Enabling better futures for Aotearoa.

Table of contents

FY25 Overview

+1% EBITDA[1]

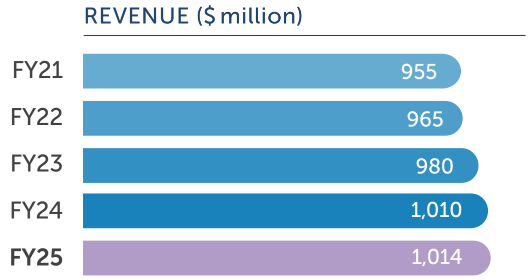
+3% FIBRE CONNECTIONS

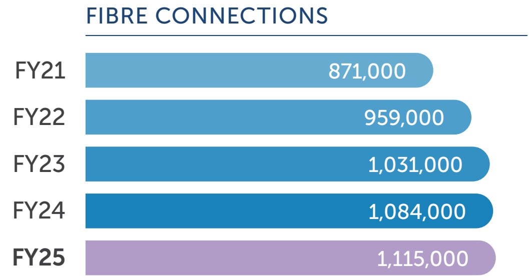
-3% CAPITAL EXPENDITURE

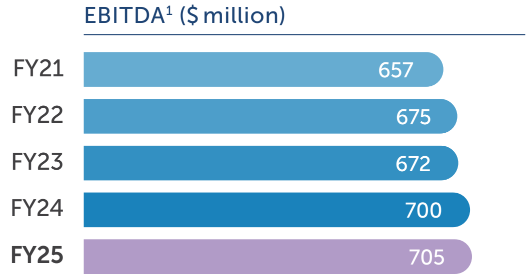
+21% DIVIDEND

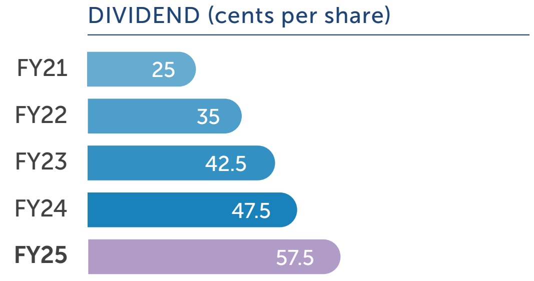
-5% ELECTRICITY USE[2]

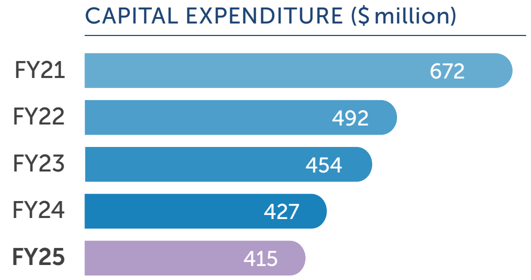
-25% SCOPE 1 & 2 EMISSIONS[3]
AGAINST FY20 BASE YEAR

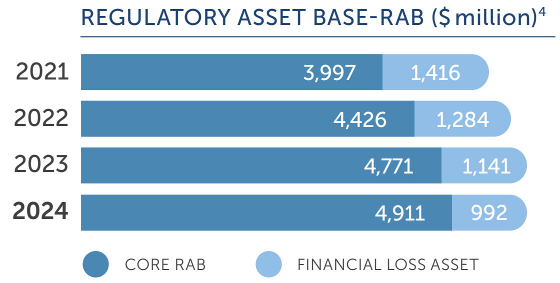












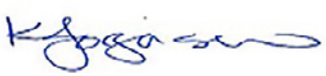
About this report

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.

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.

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

EMPLOYEE ENGAGEMENT

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.

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.

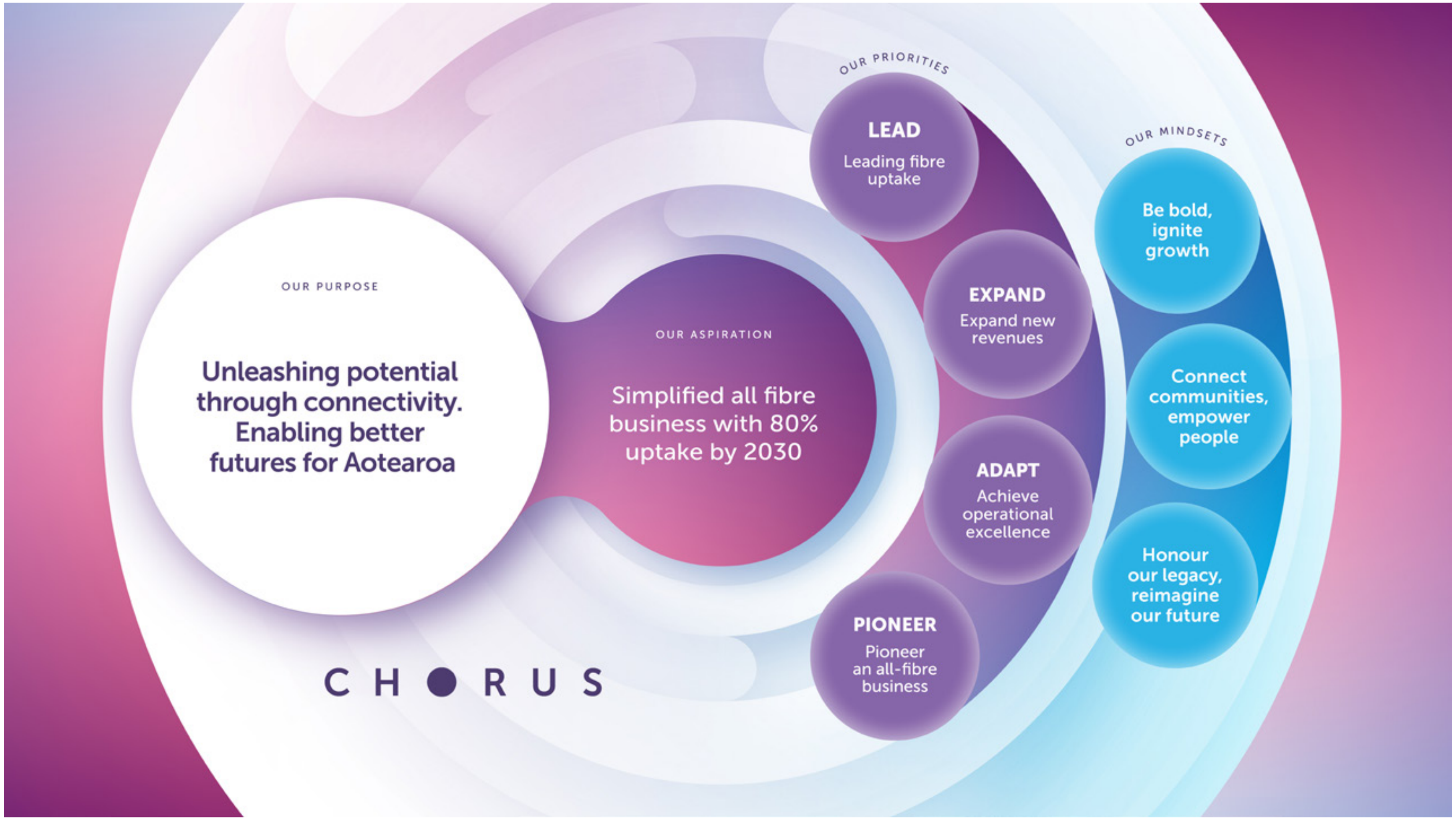
That is; "A Simplified all fibre business with 80% uptake by 2030."

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.

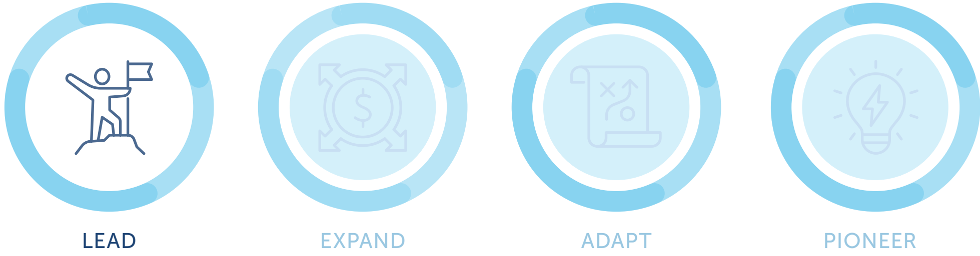
If you'd like to learn more about our strategy reset please watch our December 2024 Investor Day video and accompanying presentation on our Investor Centre.



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.

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.

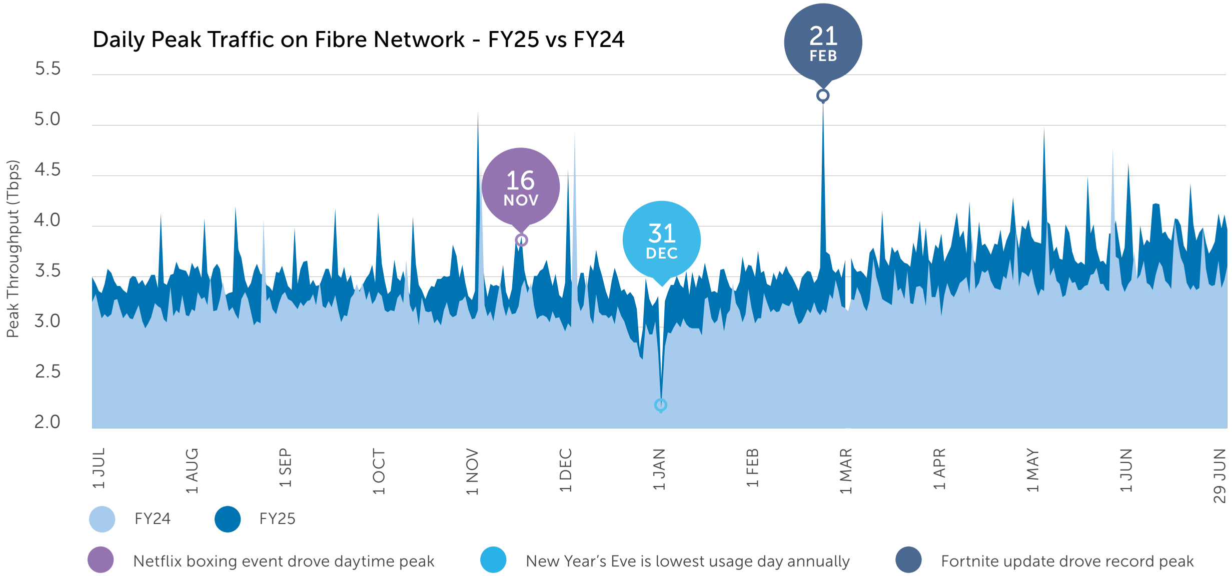
1.1 Leading fibre uptake continued

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.



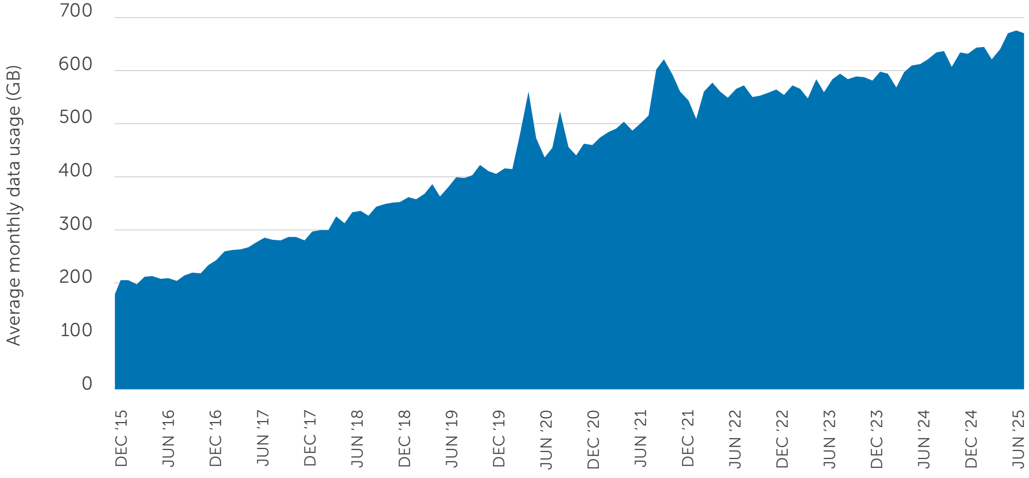
The number of peak traffic events continues to increase as more customer activity moves online. There were 17 peak traffic events in FY25 compared to 10 in FY24.

What are the data use trends on our fibre network?

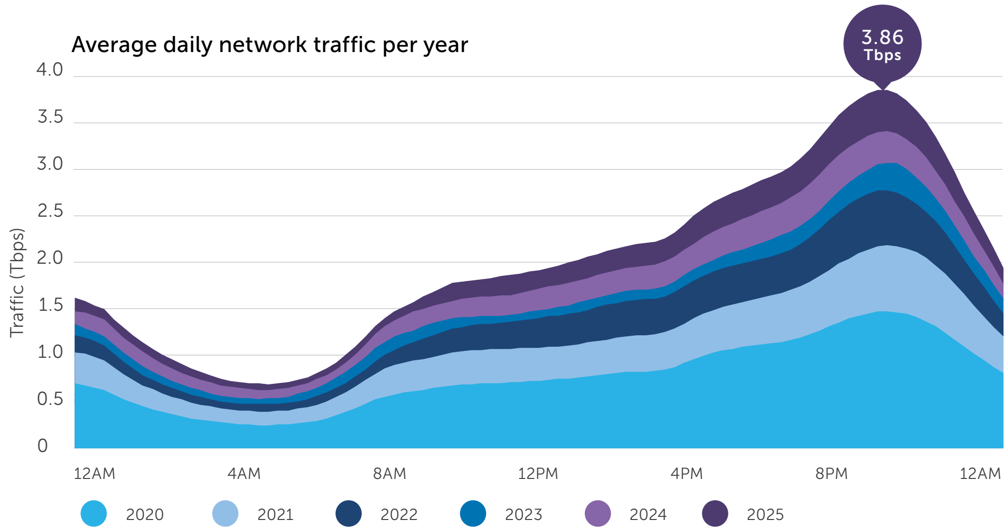
Kiwis keep using more data each year, consistent with bandwidth trends overseas.

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.

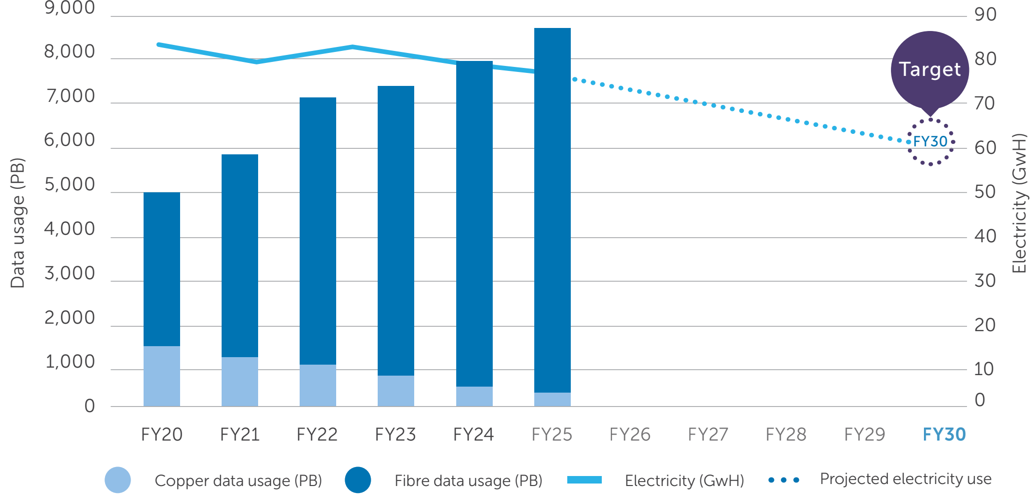
Average monthly data usage per connection (GB)



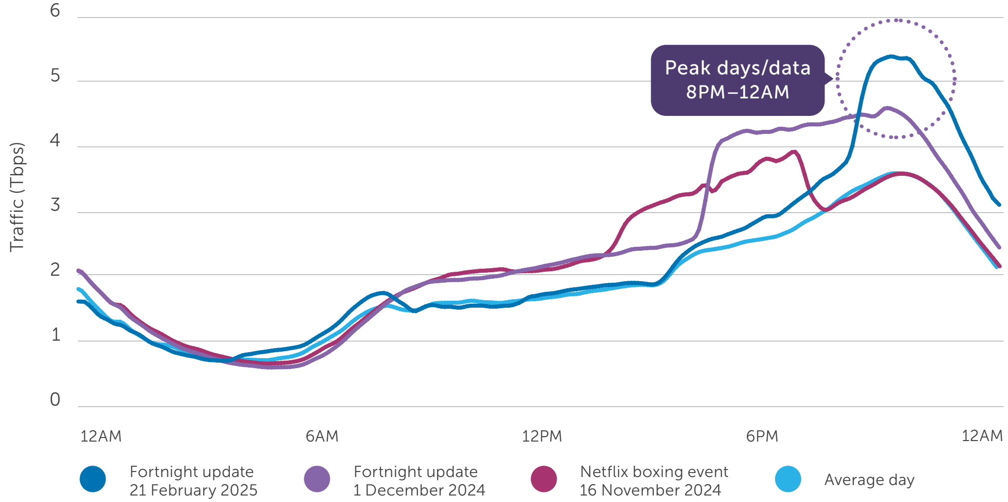
Average daily network traffic per year



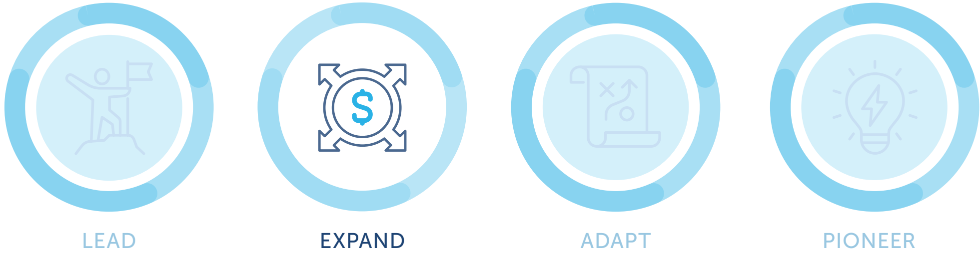
Network traffic vs Electricity (GwH)



Peak traffic days in FY25



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.

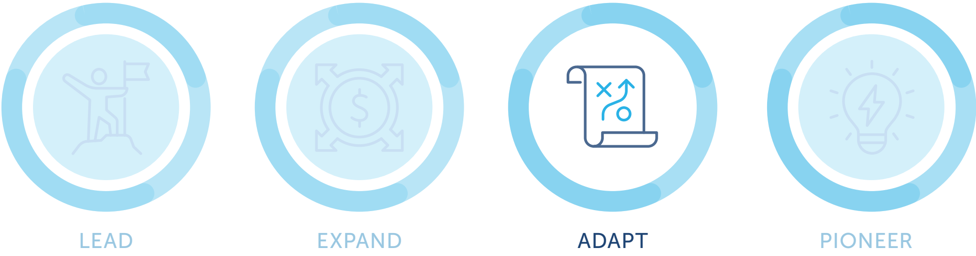
Data centre development is creating an emerging growth market for fibre and we've launched an enterprise-grade solution, Express Connect, to simplify and accelerate data centre connectivity. The new service is designed for mission critical enterprise applications and enables remote provisioning into 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.

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.

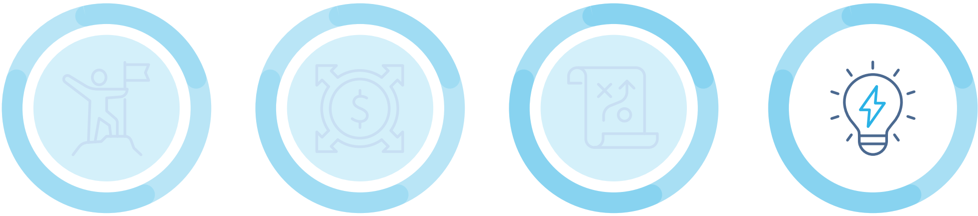
An example of this shift is the evolution of our Frontier team. They were originally focused on copper retirement and leading our Fibre Frontier network extension to more than 9,000 existing premises. With that rollout nearly complete, their scope has broadened to overseeing all activity related to the 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.

1.4 Pioneer an all-fibre business



LEAD EXPAND ADAPT PIONEER

	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.

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]

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

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

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).

TODAY

SPEED/CAPABILITY
MULTI-GIGABIT SERVICES
25% OF CHORUS USERS ON 1Gbps AND 2Gbps+ IN MARKET

+

STREAMING
50% OF CHORUS TRAFFIC AND GROWING
DAILY ONLINE VIDEO REACH HAS SURPASSED LINEAR TV

+

4K ULTRA HD
HIGH DEFINITION QUALITY NEEDS MORE DATA
IF ALL STREAMING IS 4K, DATA USE ~1,200GB A MONTH

+

WI-FI ADVANCES
IN-HOME UPGRADES TO WIFI 7 REDUCES CONSTRAINT ON FIBRE
46Gbps THROUGHPUT (VS 9.6Gbps ON WI-FI 6)

+

MULTI-SCREENS
PROLIFERATION OF CONNECTED HOUSEHOLD DEVICES
AVERAGE ~20 CONNECTED DEVICES PER HOME TODAY

WHAT'S ON THE BROADER HORIZON

GOOGLE FIBER OFFERING 20Gbps

+

60+ AGE GROUP STREAMING MORE

+

IF ALL TV SHIFTS TO 4K ONLINE, DATA USAGE X3 ~2,000GB A MONTH

+

UP TO 100X LESS LATENCY (THAN WI-FI 6) AND 5X MORE CAPACITY

+

NUMBER OF DEVICES EXPECTED TO DOUBLE EVERY 5 YEARS

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

1 Gbps
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

2+ Gbps
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

MANAGEMENT COMMENTARY

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.

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.

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**		

	2025 $M	2024 $M
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.

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.

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.

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.

FINANCIAL STATEMENTS

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.

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.

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

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.

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.

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.

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.

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.

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.

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.

Notes to the consolidated financial statements

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**

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.

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**

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.

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.

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).

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**

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.

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.

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).

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)

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.

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.

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.

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).

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.

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.

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.

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.

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.

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.

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.

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.

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.

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).

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.

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)**						

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.

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.

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.

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.

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	–	–	–	–

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**	**–**

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.

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.

GOVERNANCE AND DISCLOSURES

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**.

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.

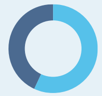
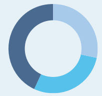
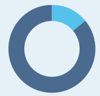
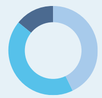
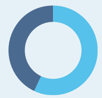
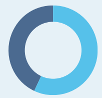
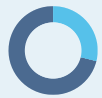
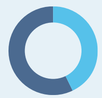
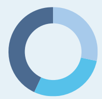
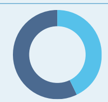
Directors are not appointed for specified terms. However, the NZX listing rules require that no director's term exceeds three years, requiring all directors to stand for re-election before their third anniversary. Due to Chorus' succession planning, Chorus has at least one director standing for re-election 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.

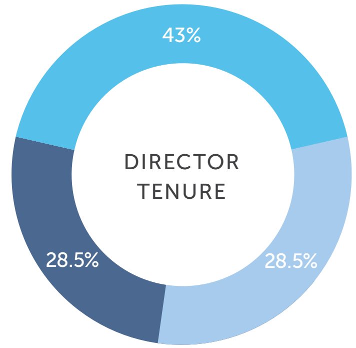
Murray Jordan retired from our Board, effective as at 30 September 2024 after serving on our Board for nine years.

Expertise and experience matrix

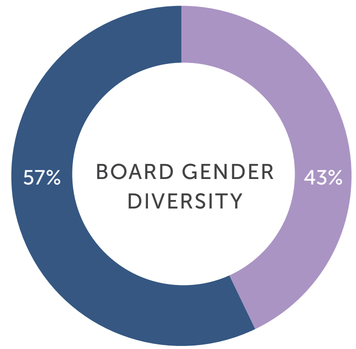
The following table reflects the strengths of the current Board based on a mix of key skills and experiences that are currently relevant for Chorus.

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.	

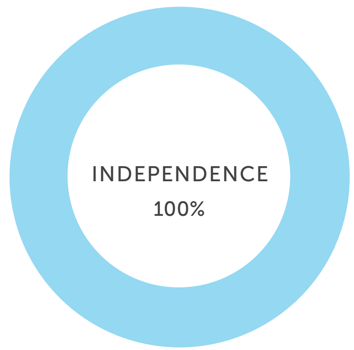
SOME EXPERIENCE MODERATE EXPERIENCE SUBSTANTIAL EXPERIENCE



0–3 YEARS 4–6 YEARS 6+ YEARS



MALE FEMALE



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.

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.

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.

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

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.

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	–	–	–	–

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.

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.

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.

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.

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.

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.

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.

Remuneration and performance

(NZX Code Recommendations 5.1–5.3)

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 0x and 1.25x for the CEO and executive leadership team, and between 0x and 1.4x 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 (0x to 1.4x multiplier) multiplied by their individual performance (0x to 1.4x 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

Weighting	Measure	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.

Remuneration and performance continued

Chief Executive Officer employment agreement and remuneration

(NZX Code Recommendation 5.3)

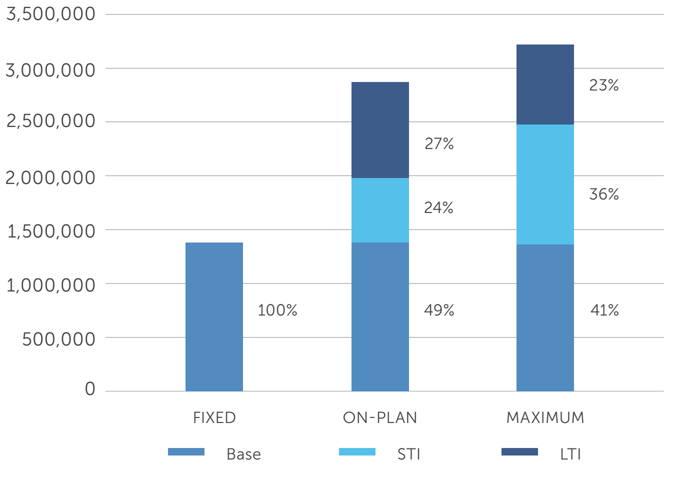
Mark Aue was appointed the CEO in April 2024. His employment agreement reflects standard conditions that are appropriate for a senior executive of a listed New Zealand company. The employment agreement may be terminated by:

- 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]

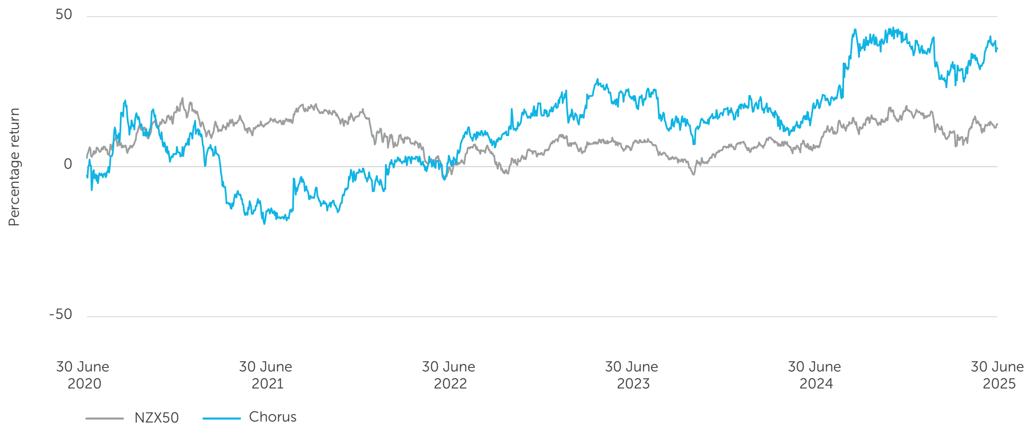
	Description	Performance measures	% achieved
STI	Set at 50% of base remuneration. Based on key financial and non-financial performance measures.	• Company performance – see FY25 STI Targets on page 85 for weightings. • Individual performance – based on business fundamentals (both financial and non-financial), 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.

Remuneration and performance continued

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

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

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.

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.

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.

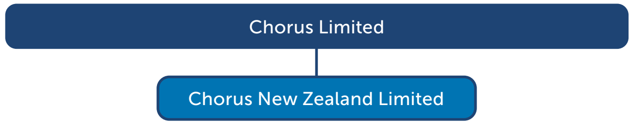
Shareholders are also able to ask questions of, and express their views in respect of, our Board, management and auditors (including via appointed proxies) at and before annual meetings.

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.

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%

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

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

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.

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

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.

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.

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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