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STOCK EXCHANGE ANNOUNCEMENT

24 August 2026

Chorus FY26 full year results

The following are attached in relation to Chorus' FY26 full year results:

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

Chief Executive Officer, Mark Aue, and Chief Operating Officer, Drew Davies, will discuss the FY26 full year results by webcast at 10.00am New Zealand time today.

Webcast – watch the webcast live at: https://ccmediaframe.com/?id=Nr5jdv1A

Teleconference – to access the teleconference, please pre-register online at https://s1.c-conf.com/diamondpass/10055949-8if6h9.html to receive the dial-in number, passcode and PIN as a calendar invite.

Authorised by:

Drew Davies
Chief Operating Officer

ENDS

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24 August 2026

Key FY26 Results

- Operating revenue of $1,029 million, up $15 million on FY25
- Operating expenses of $303 million, down $6 million on FY25
- EBITDA of $726 million, up 3% on FY25
- Net profit after tax of $37 million (FY25: $4 million)
- Net cash flows from operating activities increased 4% to $740 million
- Unimputed final dividend of 36 cents per share, total FY26 dividend 60 cents per share (FY25: 57.5cps)
- Total fibre connections increased by approximately 32,000 to 1,147,000
- Fibre uptake increased to 75.9% of serviceable addresses
- Continued uplift in data traffic, average monthly data usage up 9% vs FY25 to 731 gigabytes in June 2026

Strong financial performance underpinned by disciplined execution

Chorus today reported growth in revenue, EBITDA and net profit for the year ended 30 June 2026 (FY26), reflecting continued fibre uptake, disciplined execution and capital allocation as the company moves to a simpler all-fibre business.

Chief Executive Mark Aue said the result demonstrated the resilience of Chorus' business model and the deliberate action taken across the business to manage costs in a challenging macroeconomic and geopolitical environment.

"FY26 marked the start of the second horizon of Chorus' strategy, extending through to FY29, focused on growth, simplicity and efficiency. We are building momentum towards a simpler, more focused business, while continuing to invest in the digital infrastructure New Zealand will rely on for decades," said Mr Aue.

Growth: fibre remains the foundation of current and future demand

Operating revenue increased to $1,029 million, with 6% growth in fibre revenues more than offsetting the continued decline in legacy service revenues. Closing fibre ARPU increased from $58.28 in June 2025 to $59.51 in June 2026.

Total fibre connections increased by approximately 32,000 during FY26 to 1,147,000, representing 96% of Chorus' total connections.

"Fibre uptake is now at 75.9%[1] of addresses where Chorus fibre is available, bringing our aspiration of 80% by 2030 another step closer," said Mr Aue.

He said that based on global trends the company expected artificial intelligence and data centre growth to create the next wave of digital connectivity demand, reinforcing the importance of New Zealand's fibre infrastructure.

"As New Zealand's largest fibre network provider, Chorus is well positioned for this next phase of digital growth. Our network spans more than 200,000 kilometres of fibre across the nation, including a robust backbone transport layer connecting homes, businesses and critical infrastructure. Fibre's low latency and symmetrical capability make it well placed to support the more balanced data flows that AI-enabled applications will demand," he said.

Average monthly data usage on the Chorus network increased 9% year on year to 731 gigabytes in June 2026, while upload traffic continued to grow faster than download traffic.

Chorus also launched several adjacent infrastructure services over the period, including Express Connect, a purpose built Data Centre service giving businesses a fast and reliable way to move data; Unified Transport, a simplified data transport product; and TimeSync, a national precision timing service. Chorus continues to explore additional opportunities through a disciplined investment framework, including a feasibility assessment for a potential new inter-island subsea cable, and trials for battery energy storage systems that could leverage the large Chorus property portfolio.

"These services are about making it easier for customers to move more data, connect more sites and support the next generation of digital services," Mr Aue said.

At the same time, Chorus is focused on helping New Zealanders who still face barriers to getting connected.

[1] *Total address base adjusted in Q4 FY26 to remove ~53k non-serviceable/vacant lots where a premise cannot be connected. FY25 has also been restated.*

"As connectivity becomes increasingly fundamental to learning, working, accessing services and staying connected to communities, we are focused on practical ways to help more people access and benefit from fibre," he said.

During the year, Chorus launched Equity Fibre 100, an affordable wholesale broadband product for eligible low-income households. Developed alongside community partners, the product forms part of Chorus' long-term commitment to equitable connectivity across Aotearoa. Six retailers have signed on to offer products based on Equity Fibre 100, and Chorus is encouraging additional retailers to help broaden access.

Simplicity: progressing towards an all-fibre future

The company has brought forward its nationwide copper retirement date to 2028, reflecting the pace of copper connection decline and the progress made migrating customers to fibre and other modern technologies.

Copper connections declined by 48,000 nationwide during FY26. The copper-to-fibre transition is now largely complete across New Zealand's fibre footprint, with fewer than 1,000 copper connections remaining to migrate to fibre across all fibre companies' networks and 43,000 copper connections remaining in areas where fibre is not available.

The transition continues to be supported by community engagement, clear customer information and close collaboration with retailers and alternative providers to help remaining copper customers move to modern services.

As copper retirement progresses, Chorus is also simplifying the property footprint that supported the legacy network. The company is working through a multi-year property optimisation programme, including opportunities to exit or repurpose sites no longer required in an all-fibre environment.

Efficiency: disciplined execution supports performance

Operating expenses reduced by $6 million to $303 million during FY26, reflecting lower network maintenance costs associated with declining copper fault volumes, reduced consulting and discretionary expenditure, and benefits from Chorus' operating model changes.

Capital expenditure reduced by $40 million to $375 million, driven by lower discretionary growth expenditure and project phasing, while net cash flows from operating activities increased 4% to $740 million.

Mr Aue said Chorus remained focused on disciplined investment and operational efficiency as it executes this phase of its strategy.

Chorus also continued to improve its sustainability performance as it transitions towards an all-fibre business. Practical energy-efficiency initiatives, including copper retirement, legacy equipment removal and cooling optimisation, helped reduce electricity use by 7% from FY25. Scope 1 and 2 emissions reduced to 5,998 tCO_2e, a 43% reduction from Chorus' FY20 baseline.

Final dividend

Chorus has confirmed it will pay an unimputed final dividend of 36 cents per share on 6 October 2026 to all shareholders registered at 5:00pm on 15 September 2026. This brings the total dividend for FY26 to 60 cents per share. The shares will be quoted on an ex-dividend basis from 14 September 2026. The dividend reinvestment plan will not be available for the final dividend.

Outlook

Looking ahead, Chorus expects FY27 EBITDA of between $730 million and $760 million, gross capital expenditure of $375 million to $415 million and an FY27 dividend of a minimum of 62 cents per share, subject to no material adverse changes in circumstances or outlook. The company also expects to partially impute the FY27 dividends.

"As demand for high-capacity, reliable, low-latency connectivity grows, we are confident in the long-term outlook for fibre and in our ability to create enduring value for our customers, communities and shareholders. The future is increasingly digital, AI-enabled and dependent on fibre. Chorus is uniquely positioned to power that future," Mr Aue said.

ENDS

FY26 Results Presentation

For the 12 months ended 30 June 2026

Unleashing potential through connectivity
Enabling better futures for Aotearoa

CHORUS

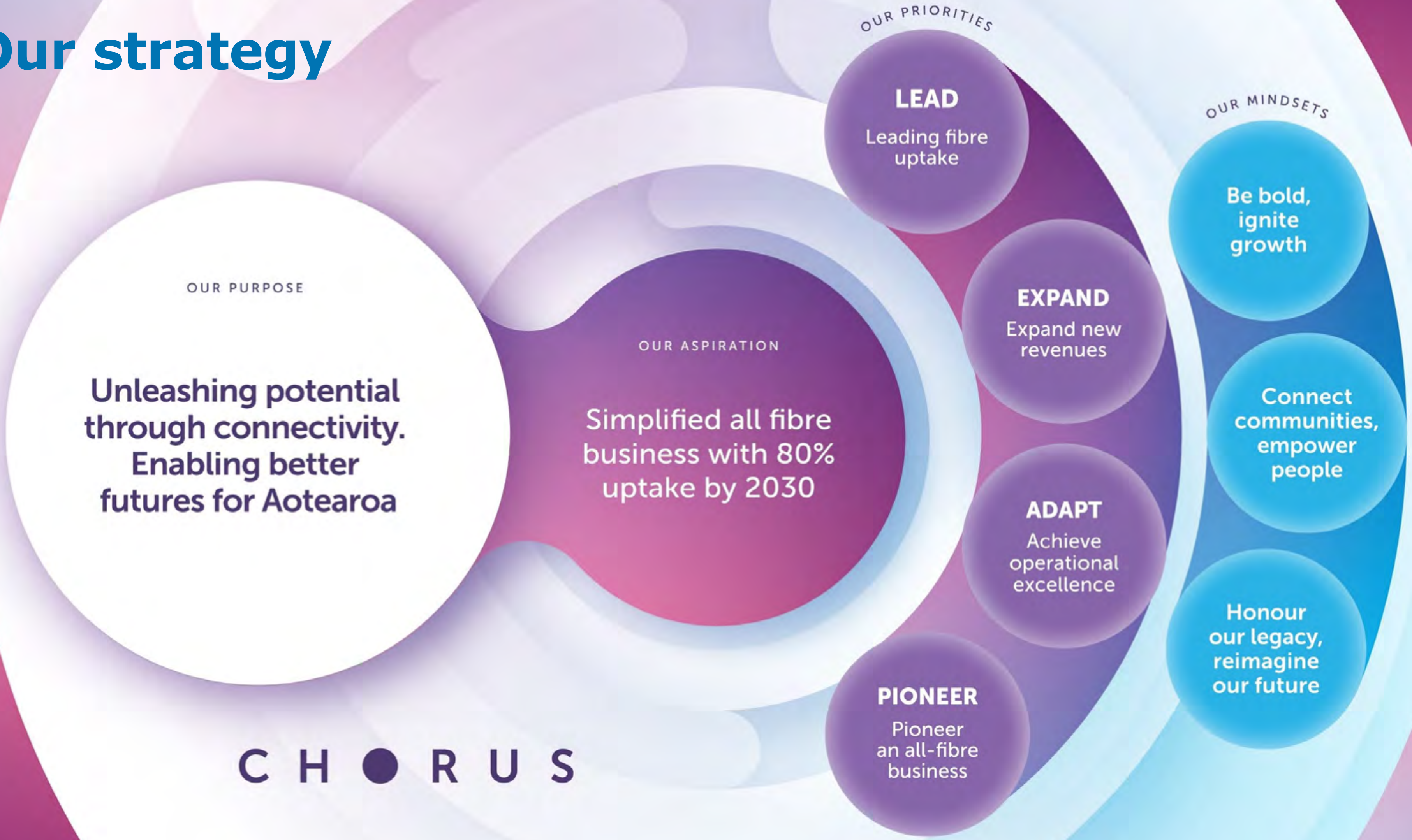
Disclaimer

This presentation:

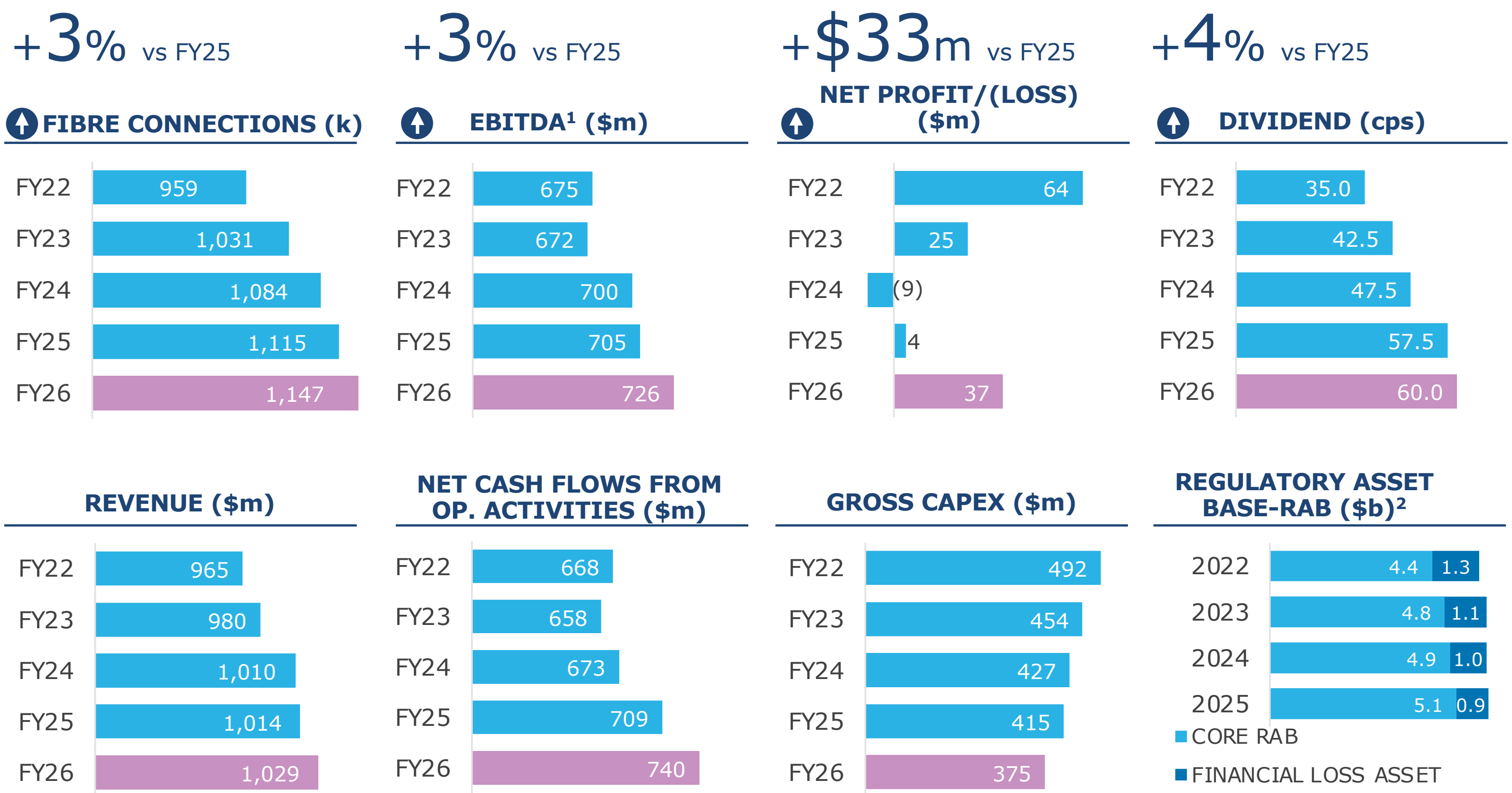
- Is provided for general information purposes and does not constitute investment advice or an offer of or invitation to purchase Chorus securities.
- Includes forward-looking statements. These statements are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond Chorus' control, and which may cause actual results to differ materially from those contained in this presentation.
- Includes statements relating to past performance which should not be regarded as reliable indicators of future performance.
- Is current at the date of this presentation, unless otherwise stated. Except as required by law or the NZX Main Board and ASX listing rules, Chorus is not under any obligation to update this presentation, whether as a result of new information, future events or otherwise.
- Should be read in conjunction with Chorus' audited consolidated financial statements for the year ended 30 June 2026 and NZX and ASX market releases.
- Includes non-GAAP financial measures such as "EBITDA". These measures do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. They should not be used in substitution for, or isolation of, Chorus' audited consolidated financial statements. We monitor EBITDA as a key performance indicator, and we believe it assists investors in assessing the performance of the core operations of our business. EBITDA is reconciled in the Notes on page 50 of the FY26 annual financial statements.
- Has been prepared with due care and attention. However, Chorus and its directors and employees accept no liability for any errors or omissions.
- Contains information from third parties Chorus believes reliable. However, no representations or warranties (express or implied) are made as to the accuracy or completeness of such information.

Agenda

Our strategy



FY26 result demonstrates strength of Chorus



Another strong annual performance underpinned by disciplined execution

- **Fibre revenue growth +6%,** fibre uptake at 75.9%
- Continued **cost management** from efficiencies, lower copper & discretionary spend, partly offset by non-tradeable inflation
- Net **cash flows** from operating activities **+4%** vs FY25
- Gross **capex** $375m, lower YoY due to project phasing
- Core RAB & Total RAB continue to grow
- **Total dividend up 4%** to 60cps for FY26

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.Closing amount as at 31 December

Horizon 2 delivering simplicity and efficiency

PROGRESS ON GROWTH, SIMPLICITY & EFFICIENCY

- 75.9% fibre uptake, **~400k** opportunities (winback & brownfield & infill)
- **simplified suite** of products and plans in market
- new **retailer incentives** introduced
- improving NZ digital inclusion (digital **Equity Fibre product**)
- **solid debt profile**; EMTN300 refinanced
- positive **regulatory change** (removal of shareholder cap complexity)
- **accelerating copper retirement**, <1k lines in fibre areas
- scaling **copper recycling** programme
- multi-year programme for **property optimisation** underway

BUILDING MOMENTUM IN INFRASTRUCTURE

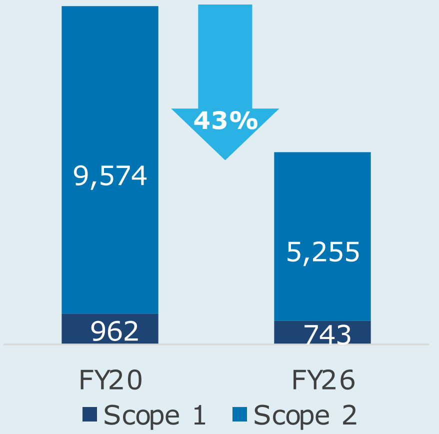
- expanded **Express Connect** to more data centres
- customer innovation through **Unified Transport product**
- launching **TimeSync** for network synchronisation
- **feasibility assessment** for a new North - South Island **Subsea cable**
- **deployment trial** for small scale Battery Energy Storage Systems (**BESS**)

Embedding our Purpose with tangible outcomes

CHORUS

Delivering value beyond financial performance

SCOPE 1 & 2 EMISSIONS REDUCTION FROM FY20 BASE YEAR (TONNES CO_2e)



SBTi: 62% REDUCTION BY FY30

FT FINANCIAL TIMES CLIMATE LEADERS 2025 statista

Proud member of the Sustainable Business Council | WBCSD Global Network

CLIMATE LEADERS COALITION
ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

96% TOTAL WASTE DIVERTED FROM LANDFILL

ONLY 44k COPPER CONNECTIONS REMAINING

7% ELECTRICITY REDUCTION VS FY25*

3,055 DIGITAL EQUITY CONNECTIONS

8.4/10 ENGAGEMENT SCORE (TOP QUARTILE)

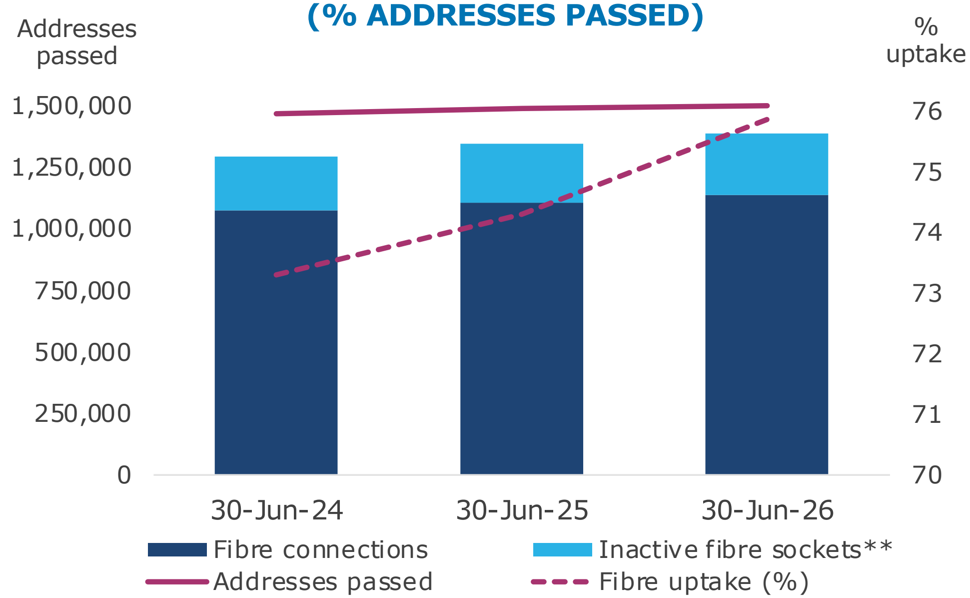
2.16 TRIFR vs INDUSTRY BENCHMARK 17.9

* *for detailed Chorus' climate related information, please refer to the Climate Statements available at company.chorus.co.nz/sustainability*

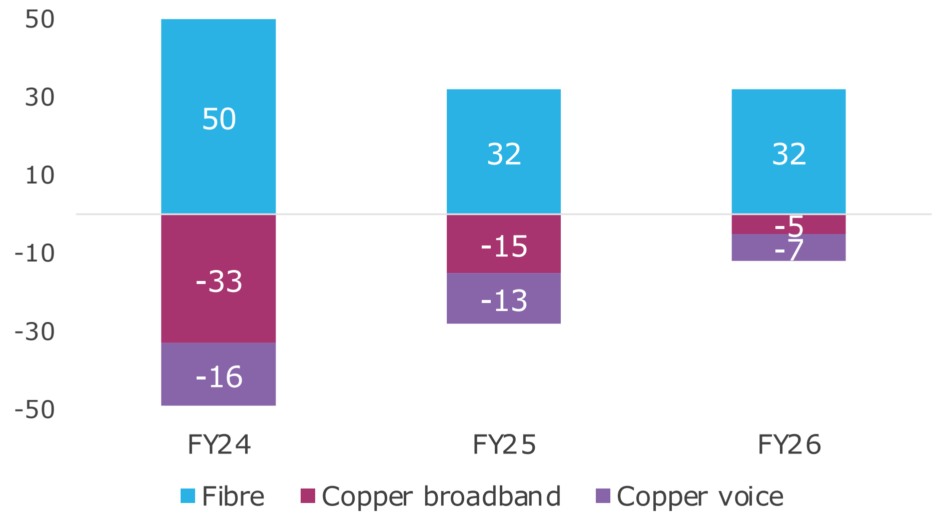
Fibre growth continues; uptake now at 75.9%

LEAD

FIBRE UPTAKE IN CHORUS FIBRE AREA (% ADDRESSES PASSED)



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



- **fibre uptake at 75.9%** (FY25:74.3%): earlier UFB1 areas +1.4% to 77.3%, later UFB2 areas +1.6% to 67.5%
- Wellington and Dunedin **uptake at 79%**
- **fibre footprint grew 12k** from FY25 to 1,499,000 addresses passed* at 30 June 2026

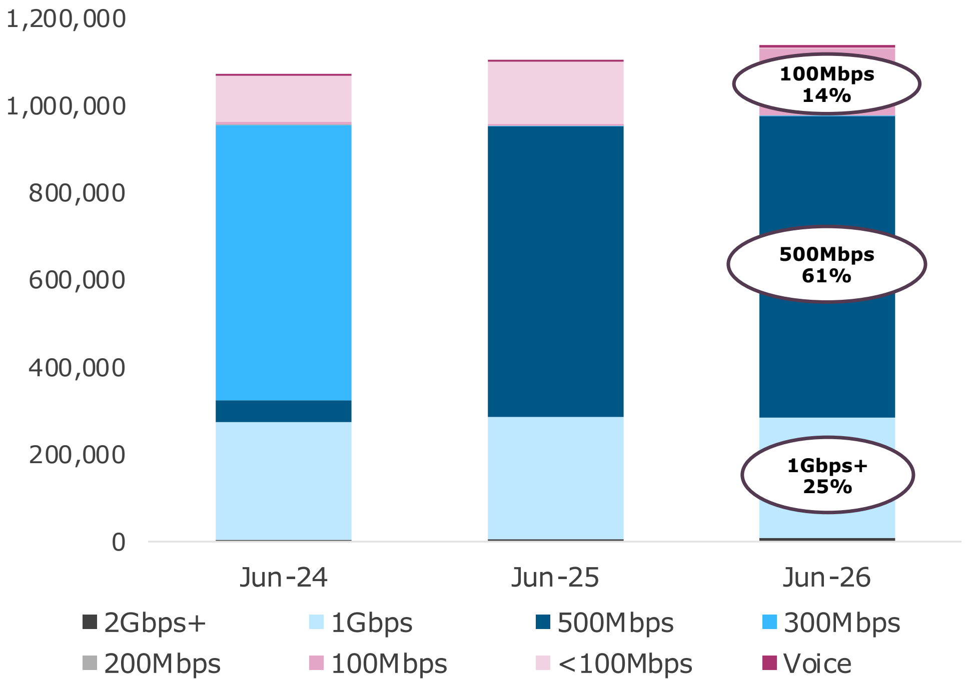
- lower proportion of FY26 fibre connections came from copper than in prior years
- **fibre footprint growth focus** on ~200k "winback" and ~200k "brownfield & infill" opportunities (~400k premises)

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

LEAD

Plan mix stable; ~85% on 500Mbps or higher

FIBRE CONNECTIONS BY PLAN*



POSITIVE FIBRE CONNECTION TRENDS

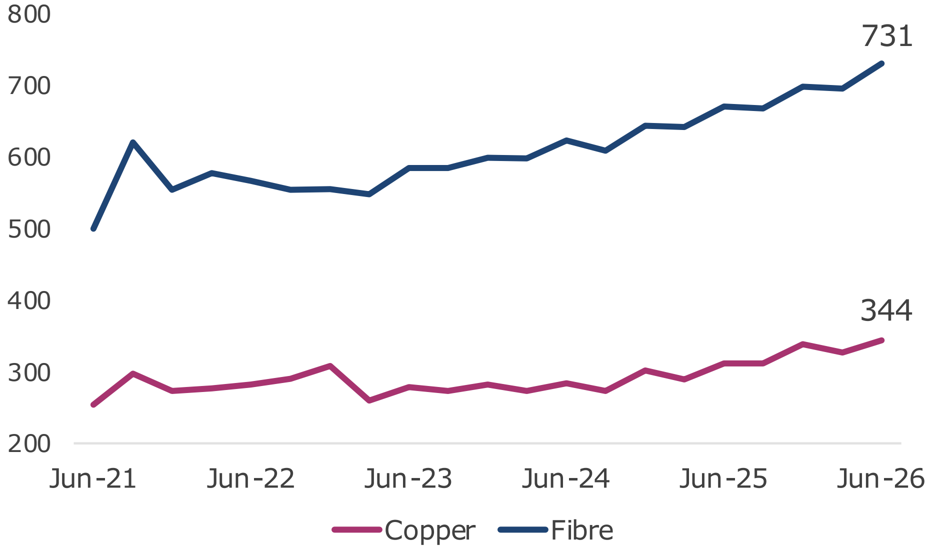
- **100Mbps HFS** plan at 148k
- **plan simplification** with legacy 100 plan customers migrated to 500Mbps plan
- **stable demand** for 1Gbps+
- **hyperfibre** – building premium growth platforms:
  - 2Gbps, 4Gbps & 8Gbps symmetrical plan speeds
  - ~9k connections, up ~40% vs FY25; growing interest from retail service providers driven by increasing data usage at premium end of market
  - nationwide availability, with **~54% addresses network-ready**, up 40% vs FY25
  - long-term demand supported by increasing data usage, more connected devices & AI-driven upload requirements, **targeting 80% addresses** & ~70k connections by 2030
- 66% customers prefer fibre as their first choice internet connection compared with 12% for FWA**

** Residential 50Mbps & 300Mbps plans were boosted to 100Mbps & 500Mbps respectively in mid-Jun'25*
***Consumer Monitor Survey, Jun'26*

LEAD

Data usage continues to rise; 731GB in Jun’26

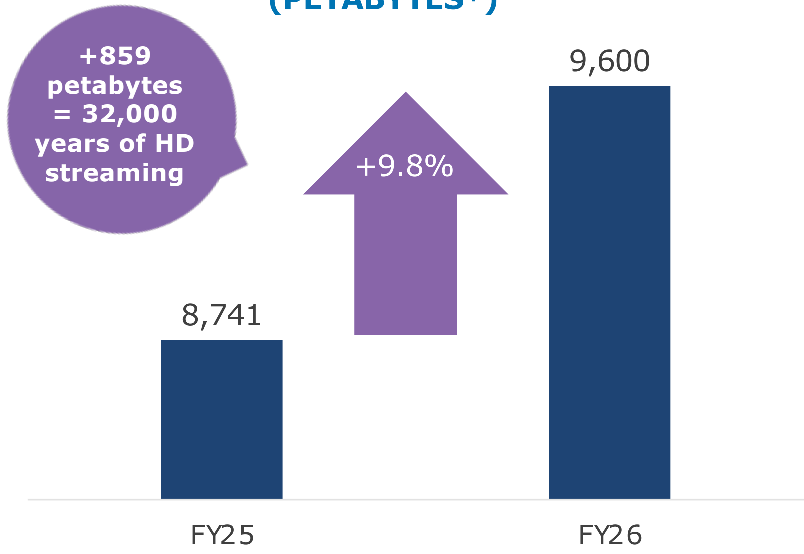
MONTHLY AVERAGE DATA USAGE PER CONNECTION (GIGABYTES)



- monthly average **fibre data usage continues to grow**: 731GB in Jun’26, up 9% vs 671GB in Jun’25; rising to 760GB in Jul’26, up 11% from Jul’25
- **~21%** of fibre customers used **>1 terabyte of data** in Jun’26 (Jun’25: ~19%); 5% used >2 terabytes of data

** 1 petabyte = one million gigabytes*

DATA TRAFFIC (PETABYTES*)

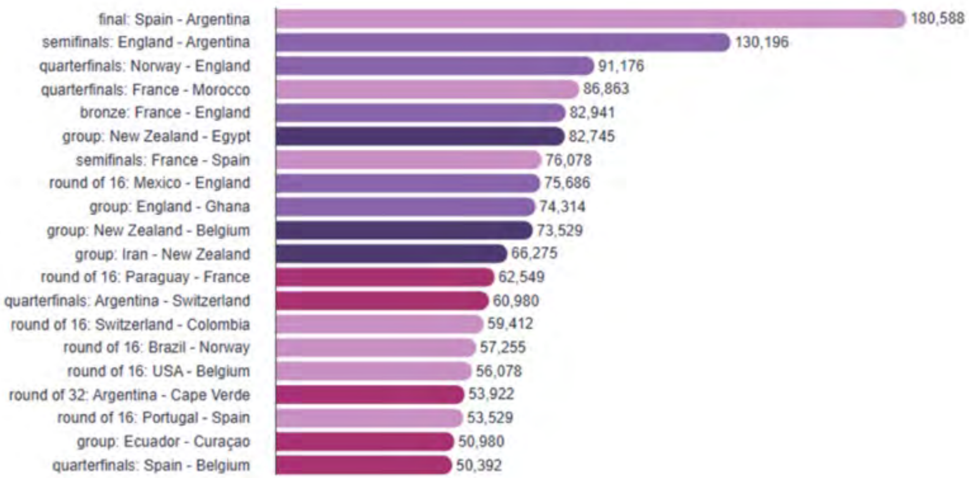


- average **peak usage up 11%** YoY to 4.1Tbps in FY26
- peak traffic events occurred during bad weather periods (esp Jan’26), from large game updates & live sport streaming events, eg Warriors game in Jun’26
- average **daily usage up 12%** YoY to 26PB in FY26 with noticeable days including FIFA World Cup Sundays

LEAD

Streaming events increase data, legacy broadcast TV retirement ahead

FIFA WORLD CUP ESTIMATED CONCURRENT STREAMS ON CHORUS NETWORK



- **FIFA World Cup** reported global reach of 2026 event with **20 billion video** views across all platforms
- paywall delivery capability in NZ support future legacy retirement
  - stable through fibre
  - **5GB** of data each game in high resolution
  - 180k concurrent streams for the final, 30% increase in network traffic, 1.2PB added to total daily data usage

- **shift from legacy broadcast TV to IP-based delivery** creates a new fibre growth opportunity
- Sky's **4K** Ultra High Definition rollout & TVNZ's **interactive streaming** are creating data consumption
- next wave of usage growth will come from today's low & medium data use households
- fibre is built for high-bandwidth streaming, FWA is not

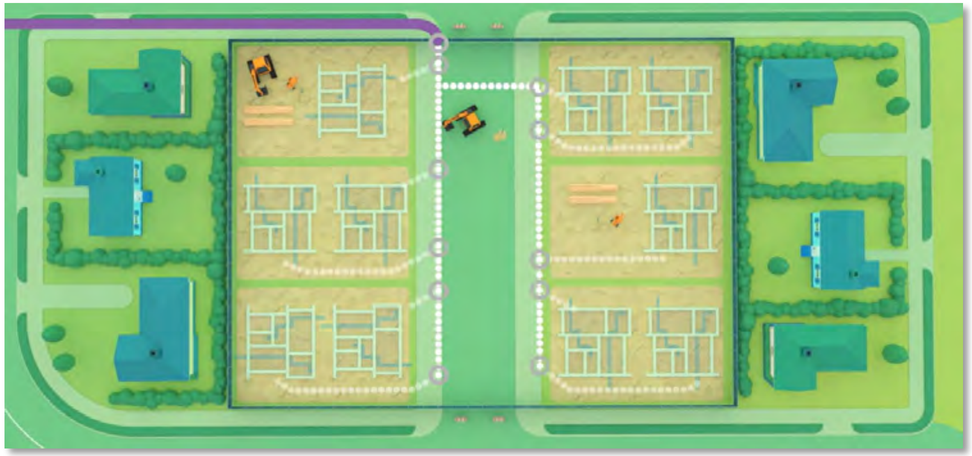
EXPAND

Growing Infrastructure portfolio & services

SCALE INFRASTRUCTURE GROWTH ENGINES THROUGH DATA CENTRES & CONNECTIVITY

- **Express Connect** available in **8 data centres**, giving businesses a fast, reliable way to move data from order to service, expansion to **additional sites throughout FY27**
- **Unified Transport** launched 1 July 2026, offering a streamlined, **simplified transport product** for customers
- **Mobile infrastructure** continued **backhaul fibre** demand to new cell sites, alongside 5G infill and expansion with ~250 new sites built
- **Regional Edge Centres** steady rack-space demand, with active exploration of **third-party partnerships** to accelerate edge commercialisation

PROTECT AND GROW FIBRE EXPANSION



- **New Property Development** 22k lots passed in FY26, strengthened relationships with developers, partnerships re-signed; building consent vols up 19% (12mths to Jun'26)*; continue to target delivery of 20-25k p.a.
- **Smart locations** (e.g. digital billboards, CCTV) steady demand for reliable, resilient fibre to connectivity; 3,400 cellsite connections at Jun'26

* *source: StatsNZ*

ADAPT

Simplifying Chorus for the future

OPERATIONAL EXCELLENCE, TEAM CHANGES

- continued operating model evolution, advancing capability:
  - new Executive Team member, Matt Bolton, appointment made since HY26
  - continued AI integration, leveraging core IT infrastructure for AI enablement

Matt Bolton
Executive GM, Infrastructure

REGULATION

Telco sector review:

- Ministry for Regulation issued final report on review of the telecommunications sector in March 2026, 22 recommendations with Government
- opportunity to streamline legacy regulatory settings
- Removal of regulatory ownership cap restrictions of 10% & 49.9%; proposed amendment via ASM special resolution in Nov'26

Fibre services simplification:

- Input Methodologies review and targeted deregulation reviews (transport and voice) ongoing
- draft decisions indicate modest improvements to streamline & simplify requirements

Copper services deregulation:

- actively working with Government to establish a clear, efficient process for retiring copper services outside fibre areas

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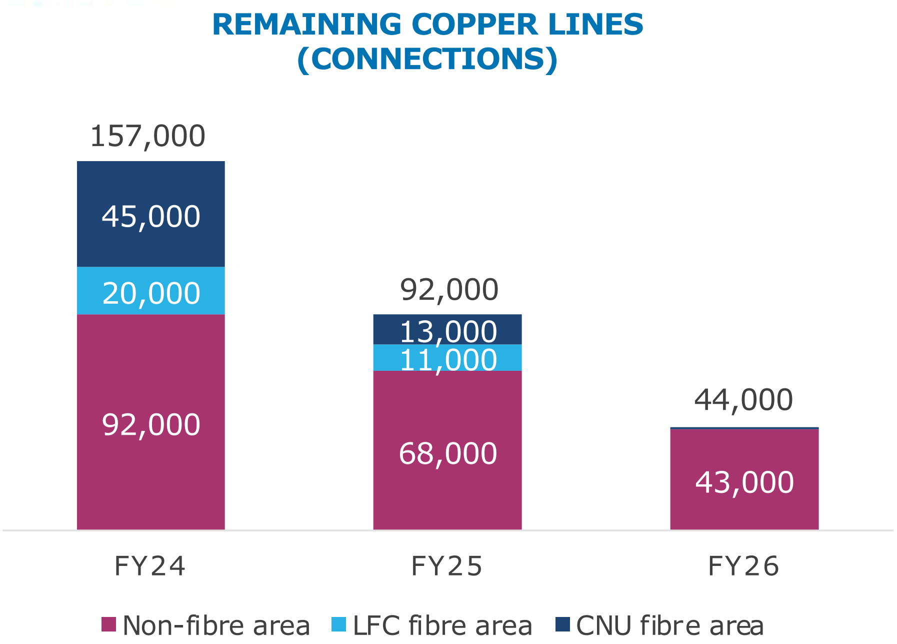
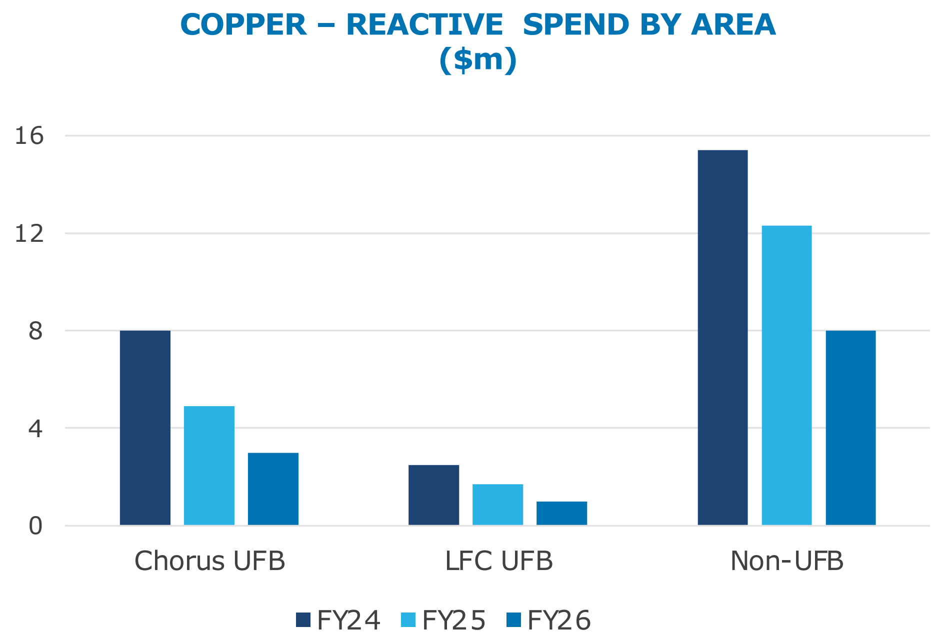
PIONEER

Copper retirement by 2028 on track





- 743 lines remain in service in Chorus fibre areas; 254 lines remain in LFC fibre areas
- 43k copper lines in non-fibre area, down 37% from FY25; LFC shutdown by end-2026, on track for shutdown by 2028

- total copper fault volumes reduced by 10k, ~$7m reduction in copper reactive spend FY26 vs FY25
- ~1,000 cabinets powered down in FY26

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PIONEER

Unlocking value from legacy assets

Strategic opportunities provide incremental value creation alongside core fibre growth

COPPER RECYCLING

- trial successfully operationalised
- activity accelerating
- expected net proceeds of $50m-$70m from inception in FY25 to 2030, subject to market prices, extraction timing etc
- historic high for metals pricing would see returns at the top end of range

PROPERTY OPTIMISATION

- multi-year property optimisation programme underway
- testing market interest in portfolio of non-core remote sites that primarily support legacy radio & copper networks
- sequencing aligned with copper retirement timetable and ensures remaining assets are aligned with all-fibre footprint

Financial performance

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Income Statement (IFRS 18)

	FY26 $m	FY25 $m
Operating revenue	1,029	1,014
Operating expenses	(303)	(309)
Earnings before interest, tax, depreciation & amort. (EBITDA)	**726**	**705**
Depreciation & amortisation	(439)	(474)
Net gains on derivatives & foreign exchange	-	4
Operating profit	**287**	**235**
Investing income	3	2
Profit before interest & income tax	**290**	**237**
Finance expense	(221)	(216)
Profit before income tax	**69**	**21**
Income tax expense	(32)	(17)
Net profit for the year	**37**	**4**

COMMENTARY: FY26 vs FY25

- fibre revenue up 6% YoY partly offset by $34m lower copper revenue
- cost savings from lower copper costs, op model changes & lower consulting costs, partly offset by higher network costs, rates & lines charges
- EBITDA margin excl. copper improved to 72.5% (FY25: 71.9%)
- copper asset depreciation accelerated in FY25 $46m lower in FY26
- no material fair value movements in FY26 (FY25: $4m fair value gain)
- early tender of the EUR300m Notes with $9m of settlement costs; weighted average interest rate fell from 5.39% to 4.95%

Revenue

	FY26 $m	FY25 $m
Fibre broadband (GPON)	792	745
Fibre premium (P2P)	64	64
Copper connection revenues	41	75
Field services products	66	64
Infrastructure	35	35
Value added network services	25	26
Other	6	5
Total	**1,029**	**1,014**

COMMENTARY: FY26 vs FY25

- ARPU grew 2% to $59.51 in FY26; GPON fibre connections +33k/+3%
- copper service revenues reduced $34m as connection volumes declined 52% to 44k
- brownfields revenue higher, roadworks +$2m to $13m; partly offset by lower greenfields/NPD revenue $20m (FY25: $22m)
- co-location stable
- legacy revenues stable
- FY26 included $4m net gain from copper cable recycling (FY25: $3m)

Expenses

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	FY26 $m	FY25 $m
Labour	81	85
Network maintenance	36	47
IT	41	40
Other network costs	46	37
Rent, rates & property maintenance	33	27
Electricity	24	22
Advertising	12	12
Consultants	5	9
Other expenses	25	30
Total	**303**	**309**

COMMENTARY: FY26 vs FY25

- lower headcount from operating model changes, partly offset by lower labour capitalisation rate 42% vs FY25:44%
- lower copper faults from lower copper connections (truck rolls -23%); lower fibre faults
- higher: engineering activity, incentive payments (better service levels) and network assets decommissioning & disposal costs
- Auckland & Wellington rate increases by ~60% & ~90% respectively
- increased lines charges & prices partly offset by ~7% lower consumption
- lower spend as prior year included expenses related to exploration of new revenue opportunities
- discretionary spend reduction and lower regulatory levy costs

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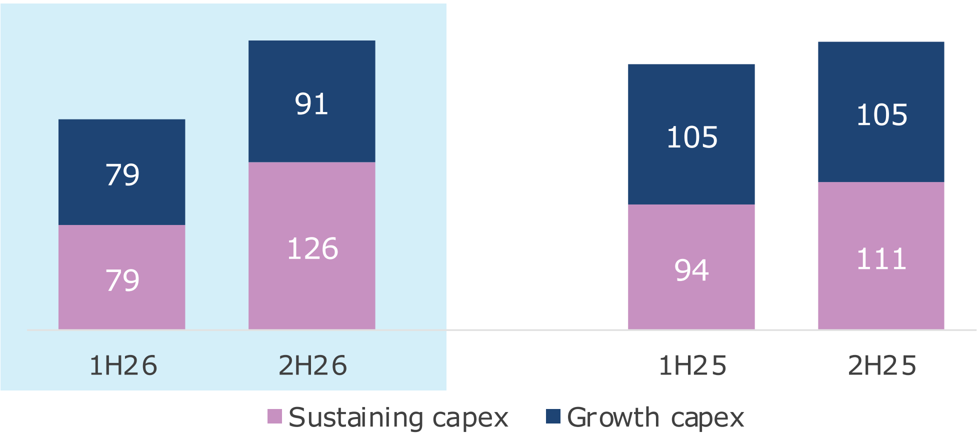
FY26 capex driven by 2H26 project phasing

	FY26 $m	FY25 $m
Sustaining capex*	205	205
Growth capex	170	210
Gross capex	**375**	**415**
Less: Third-party contributions**	(41)	(40)
Net capex	**334**	**375**



COMMENTARY: FY26 vs FY25

- sustaining capex was flat year on year
- multi-year lifecycle phasing of growth capex
- gross capex reduced 10% FY26 vs FY25

** Sustaining capex is investment to maintain, replace or improve an existing asset*
*** Third-party contributions included $5m of government grants that were applied to the balance sheet for specific projects. Other contributions were recognised as revenue*

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RAB and Non-RAB capex, total RAB $6.0b*

RAB capex	FY26 $m	FY25 $m
Extending the network – growth	54	88
Installations – growth	103	113
IT & Support – sustaining	63	61
Network capacity – sustaining	54	63
Network sustain & enhance - sustaining	50	44
Network sustain & enhance – growth	9	2
Gross RAB capex	**333**	**371**
Less: Third-party contributions**	(36)	(31)
Net RAB capex	**297**	**340**

- FY26 allocations unaudited & subject to 2026 ID

Non-RAB capex	FY26 $m	FY25 $m
Copper - growth	-	1
Copper – sustaining	6	8
Other – growth	4	6
Other – sustaining***	32	29
Gross non-RAB capex	**42**	**44**
Less: Third-party contributions**	(5)	(9)
Net non-RAB capex	**37**	**35**

- copper capex reduced to $6m and includes $4m of contribution-funded activity, eg roadworks

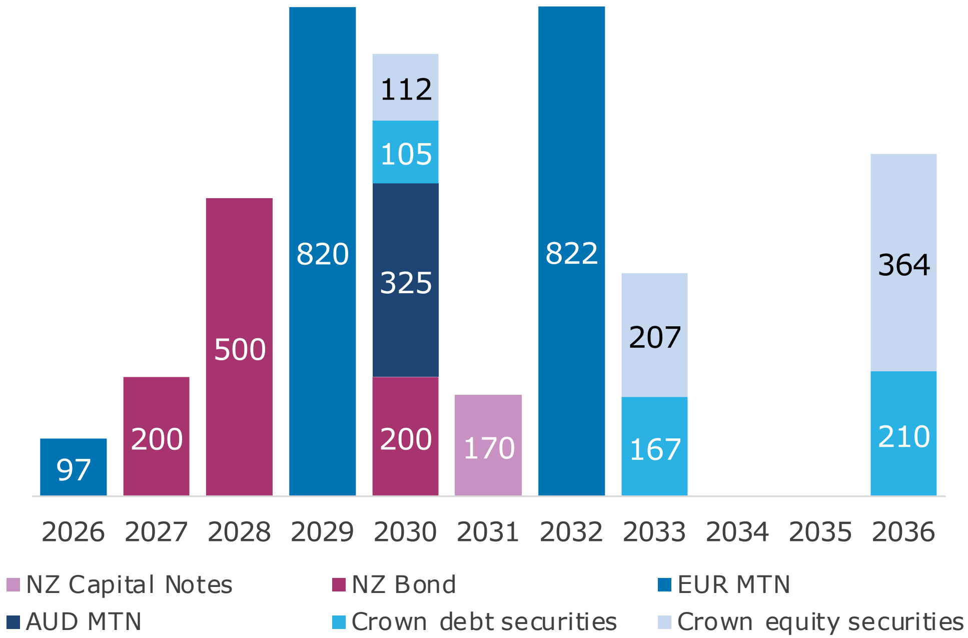
** CY25 closing RAB; the core RAB grew $221m in CY25 to $5.1b, the Financial Loss Asset (FLA) reduced by $130m in CY25 to $862m*
*** Third-party contributions are deducted from RAB capex when calculating the value of RAB assets*
**** Some 'Other-sustaining' capex may be reallocated to the RAB over time*

Leverage profile

Bank Covenant Calculation* As at	30 Jun 2026 $m	30 Jun 2025 $m
Borrowings	2,963	2,779
+ PV of CIP debt securities (senior)	263	242
+ Net leases payable	147	162
Sub total	3,373	3,183
- Cash	199	81
Total net debt	**3,174**	**3,102**
Net debt/EBITDA	4.37x	4.40x

- current ratings agency thresholds (FY26 actuals):
  - **Moody's** 5.25x Debt/EBITDA (4.75x)
  - **S&P** 9% FFO/debt (17.2%); ~7.0x ND/EBITDA (4.49x)
- financial covenants require senior debt ratio to be no greater than 6.75x, covenants were relaxed in May from 5.5x
- the Board considers that a credit rating of at least 'BBB' or equivalent is appropriate for a company such as Chorus

DEBT MATURITY PROFILE ($m)



- Chorus issued EUR400m notes in Nov'25 and repaid EUR243m of the EUR300m due in Dec'26
- revolving credit facility available: $450m ($0m drawn)
- ~65% of interest rate exposure fixed for 3 years

** Table based on bank covenant senior debt calculation that excludes capital notes*

Crown Funding Securities change of ownership

NIFF EQUITY SECURITIES

- unique class of security with no voting rights but a repayment preference on liquidation
- dividends become payable in tranches from 30 June 2030 to 2036 at a rate of 6 pct over 180-day BKBM (likely to be refinanced before dividends become payable)
- redeemable by cash payment of total issue price or the issue of Chorus shares (at a 5% discount to the 20-day VWAP for Chorus shares)

NIFF DEBT SECURITIES

- unsecured, non-interest bearing and carry no voting rights
- to be redeemed in tranches from 30 June 2030 to 2036 by repaying the issue price to the holder

Crown securities ($m)	30 June 2030	30 June 2033	30 June 2036	TOTAL
Equity securities (cumulative total)	111.7	292.3	683.1	683.1
Debt securities (maturity profile)	104.7	166.7	210.2	481.6
TOTAL				1,164.7

SALE PROCESS

- in December 2025, the New Zealand Government announced a sale process in relation to the securities NIFF held in Chorus Limited
- on 7 August 2026 the Crown agreed to the sale of those securities for $702m to a select group of domestic and international institutional investors with settlement occurring by the end of August 2026
- Chorus obligations remain the same as pre-sale but those obligations will be owed to a number of parties, not just NIFF

RATING AGENCIES PERSPECTIVE

- S&P may treat equity securities as debt rather than equity, expected to be confirmed later in the year
- we believe Moody's will maintain the status quo with their equity attribution (ie 50/50 debt/equity)

Simplifying our business

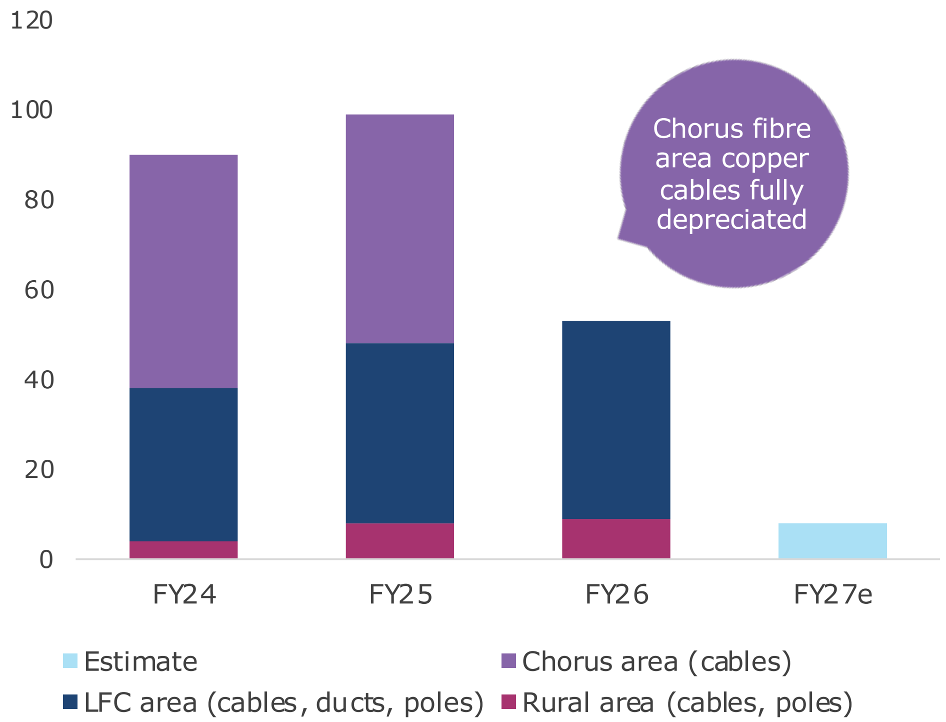
STRONG BALANCE SHEET

- prudent and efficient asset management
- fair market review of network assets resulted in a $983m increase in the asset carrying amount

FY27 IS A TRANSITION YEAR FOR COPPER

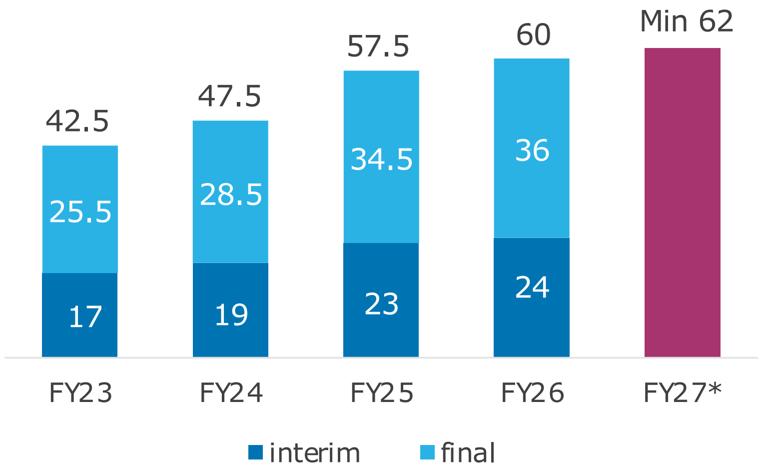
- FY27 **copper connections revenue**: $m high teens (FY26: $41m)
- FY27 net **copper recycling** gains: $m low teens (FY26: $4m)
- copper maintenance reducing
- further **step-down in copper depreciation** as accelerated copper depreciation rolls off; depreciation $m high single digits
- exit of high sites and exchanges that don't need fibre; anticipated update at HY27

COPPER ASSETS - ACCELERATED DEPRECIATION



- Copper depreciation $46m lower in FY26 vs FY25

FY26 div. 60cps; FY27 div. guidance minimum 62cps



- **FY26 final dividend: 36cps, unimputed**
  - record date: 15 September 2026
  - payment date: 6 October 2026
  - Dividend Reinvestment Plan not available
- **FY27 dividend guidance*: minimum of 62cps**
  - expect to partially impute dividends at the rate of 2 to 5 cents per share of a minimum 62cps dividend (small supplementary for eligible foreign shareholders)

Capital Management ($m)	FY26 $m	FY25 $m
Net cash flows from operating activities*	740	709
Less: Sustaining capex	(205)	(205)
Less: Net interest**	(167)	(150)
Free cash flow for capital allocation	**368**	**354**

- **FY27 EBITDA guidance $730m to $760m***
  - includes copper recycling $m low teens
  - fibre price changes applies from Jan'27
  - disciplined cost management
- **FY27 gross capex guidance $375m to $415m**
  - range reflects ongoing investment to improve fibre uptake & potential growth opportunities
- **FY27 sustaining capex guidance $195m to $215m**

** subject to no material adverse changes in circumstances or outlook*
*** includes net cash cost of the EUR EMTN refinancing undertaken in November 2025*

Outlook

AI reinforces long-term strategic value of fibre infrastructure

Multiple demand trends favour scalable, high-performance networks

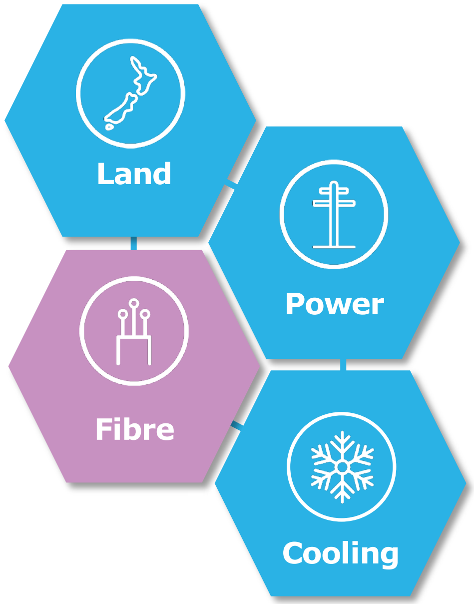
DATA CENTRES AI COMPUTE NEEDS INTERCONNECTION	AI ADOPTION & TRAFFIC GROWTH SMALL TODAY, SCALING FAST	CONTENT QUALITY VIEWING & CONNECTED DEVICES	UPLOAD DEMAND TRAFFIC TURNS SYMMETRICAL	FIBRE ADVANTAGE ONLY TECH WITH THE ROADMAP
NZ data centre market small (~125MW), but investment accelerating	AI tools are **<0.1% of Chorus traffic** today, current traffic primarily streaming, gaming, social media & cloud productivity tools	Standard & High Definition TV; average ~20 connected devices per home	AI **60:40** download to upload; total current traffic **87:13** download to upload	Uptake concentrated at 500Mbps plans and provide easy upgrade potential
EVOLUTION OVER THE NEXT 10 YEARS				
Capacity potential to quadruple by 2035 (~600MW)	**AI** estimates at**~30% of all global traffic** by 2034	4K Ultra HD base line quality; 44+ connected devices per household	Upload traffic forecast to grow at **13% CAGR**, up **~230%** in the next decade	Multi-gig services mainstream to support digital demand

sources: Chorus Network Data, Nokia Global Network Traffic Report, Ericsson Mobility Report, Cisco AI Impact on Wide Area Networks Report, Omdia

Fibre is foundational to AI

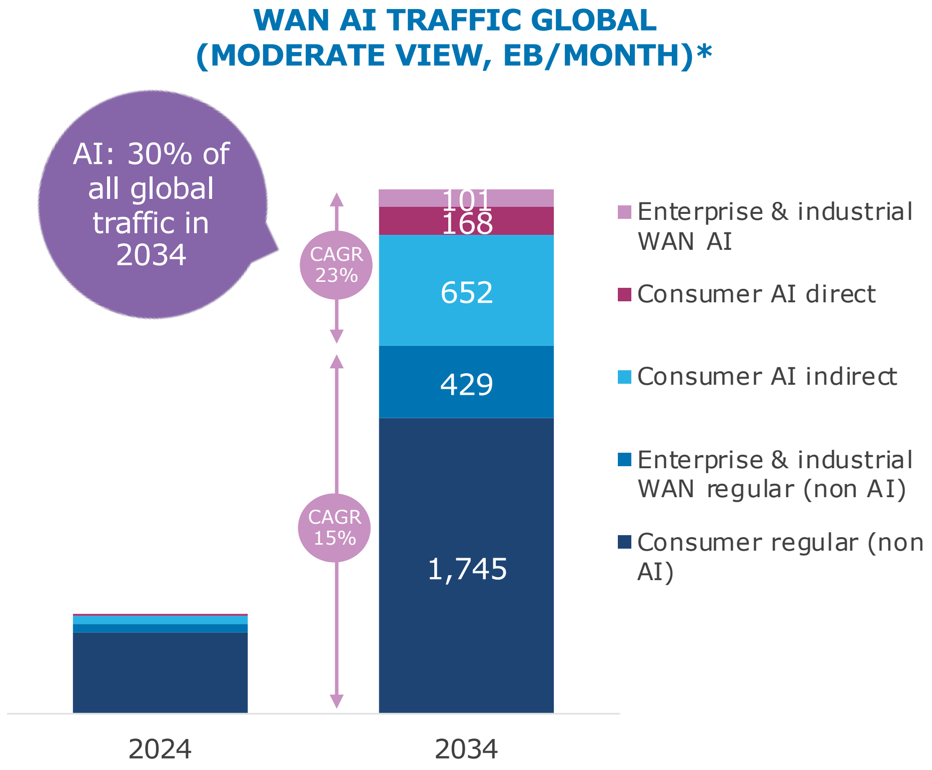
AI performance depends on bandwidth, reliability and low latency

AI REQUIRES RELIABLE INFRASTRUCTURE



- AI systems depend on **continuous flow of huge data**
- data is:
  - moving from text-to-video to multimedia, &
  - moving from human consumption model to machine-to-machine
- **this impacts upload**
- small constraints in bandwidth or **latency** slow performance & limit the value of the system
- fibre is critical for AI delivery

AI DRIVING TRAFFIC GROWTH GLOBALLY



* *source: Nokia*

AI changes what networks need to deliver

Fibre is built for the next generation of network demand

	Real time AI data upload using network:	Upload Speed (Mbps)	Latency (ms)	1GB* Upload Time	Download Speed (Mbps)
Best effort	Dial up	0.033	>150	>40 hours	0.056
	4G	21	56	6 minutes	52
	5G	55	30	2.4 minutes	395
	LEO / Starlink 100	46	26	3 minutes	115
	LEO / Starlink Max	52	26	2.6 minutes	224
Certified	Home Fibre Starter	25	6	5 minutes	106
	Fibre 500	109	8	**73 seconds**	506
	FibreMax	500	5	**16 seconds**	872
	Hyperfibre 2000	2,000	5	**4 seconds**	2,000
	Hyperfibre 4000	4,000	5	**2 seconds**	4,000
	Hyperfibre 8000	8,000	5	**1 second**	8,000

SPEED & LOW LATENCY ALL IMPORTANT FOR AI DEMANDS

- data usage patterns are shifting to more upload which is creating congestion on networks
- speed, reliability and low latency is all important – fibre can deliver this – saving time and driving productivity
- no architectural overhaul of fibre networks is required to deliver AI capability

source: Chorus Network Data
**1GB is equivalent to a short video clip*

Multiple drivers of future value creation

Growing fibre, scaling infrastructure and unlocking legacy assets

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LEAD

DEFEND & GROW

- fibre **price change** 1 Jan'27
- targeting "winback" and "brownfield & infill" fibre connections **~400k premises**
- AI and device growth driving **higher fibre utilisation**

ADAPT

CREATE STRATEGIC FLEXIBILITY

- ASM resolution to **remove ownership cap** restrictions
- Horizon 2 operating model optimisation

EXPAND

SCALE INFRASTRUCTURE REVENUES

- solid NPD pipeline (25k WIP) supporting FY27 growth
- **TimeSync** build underway; first country to build wholesale precision timing network
- **North-South Subsea cable** feasibility assessment underway with final investment decision in FY27
- deployment trial for small scale Battery Energy Storage Systems **(BESS)** across Chorus property footprint

PIONEER

UNLOCK LEGACY ASSET VALUE

- UFB & LFC area **copper retirement** by end-2026, non-UFB by 2028
- **copper recycling $50m-$70m** net proceeds
- **property optimisation:** exploring options for non-core property aligned with copper exit

Strong execution today. Expanding opportunities for tomorrow.

- Strong FY26 result underpinned by disciplined execution
- Horizon 2 gaining momentum: growth, simplicity & efficiency
- Pathway to 80% fibre uptake
- Copper retirement firmly in sight
- Disciplined expansion into adjacent opportunities
- AI driven demand reinforces fibre's advantage
- Investing in NZ's digital infrastructure for generations to come

CHORUS

Appendix

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Pricing data

PROPOSED PRICING, CURRENTLY UNDER CONSULTATION

Product / Service	Current Price from 1 Jan'26	Proposed Price from 1 Jan'27
Home Fibre Starter (100/20Mbps)	$40.50 (Retail price cap $70)	$41.70 (Retail price cap $72)
Home Fibre 500Mbps	$58.73	$61.08
Home Fibre 920Mbps	$69.50	$72.28
Home Hyperfibre 2Gbps	$76.90	$76.90
Home Hyperfibre 4Gbps	$93.38	$93.38
Home Hyperfibre 8Gbps	$120.85	$120.85

Note: Proposed prices are subject to industry consultation

Connections

Copper
-48 YoY
44k remaining

Fibre
+32k YoY
1.15m connections

Total
-16k YoY
1.91m total

	30 Jun 2025	30 Sep 2025	31 Dec 2025	31 Mar 2026	30 Jun 2026	Variance 30 Jun 2026 vs 30 Jun 2025
Baseband copper (no broadband)	24,000	20,000	14,000	11,000	8,000	(16,000)
Copper ADSL (includes naked)	34,000	29,000	24,000	21,000	18,000	(16,000)
VDSL (includes naked)	34,000	29,000	25,000	21,000	18,000	(16,000)
Total copper	***92,000***	***78,000***	***63,000***	***53,000***	***44,000***	***(48,000)***
Fibre broadband (GPON)	1,106,000	1,113,000	1,120,000	1,133,000	1,139,000	33,000
Fibre premium (P2P)	9,000	9,000	9,000	9,000	8,000	(1,000)
Total Fibre	***1,115,000***	***1,122,000***	***1,129,000***	***1,142,000***	***1,147,000***	***32,000***
Total connections*	**1,207,000**	**1,200,000**	**1,192,000**	**1,195,000**	**1,191,000**	**(16,000)**

**includes ~2.5k broadband connections Chorus is subsidising for lower socio-economic households*

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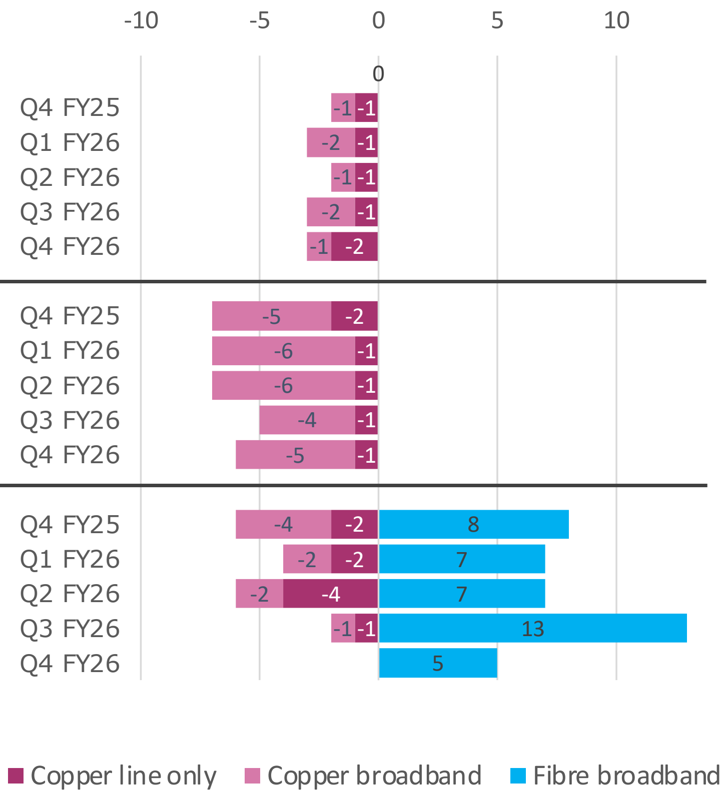
Connections by zone*

Other fibre company (LFC) zone	Copper lines (no broadband)	115	Copper connections are declining as Chorus retires its copper network and customers migrate to Local Fibre Company and fixed wireless networks
	Copper broadband lines	139	
	Fibre broadband lines (GPON)	4,000	
	TOTAL (rounded)	**4,300**	
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	8,000	Ongoing decline in copper connections as customers migrate to alternative mobile/fixed wireless/satellite networks
	Copper broadband lines	35,000	
	TOTAL	**43,000**	
Chorus fibre zone	Copper lines (no broadband)	154	Covers all addresses outside of LFC UFB rollout zone where Chorus fibre is available. Fibre footprint is growing as a result of network expansion and new property development. Copper connections are reducing as Chorus retires its copper network
	Copper broadband lines	589	
	Fibre broadband lines (GPON)	1,131,000	
	TOTAL (rounded)	**1,132,000**	

QUARTERLY CHANGE (‘000s) BY ZONE



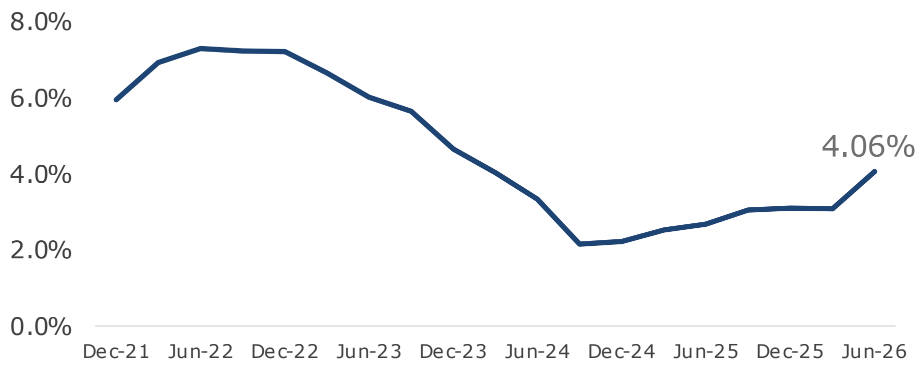
** Indicative as at 30 Jun, excludes ~12k fibre premium and smart location connections; copper numbers exclude 73 HSNS copper lines*

Interest rate hedges

Bond	Amount NZ$m	Current hedge profile
EMTN 2026	97	100% fixed for life of bond at 3.39%
NZD 2027	200	100% fixed for life of bond at 1.98%
NZD 2028	500	100% fixed for life of bond at 6.21% from Dec 2023
EMTN 2029	820	Swapped to a margin over floating (BKBM) through cross currency interest rate swaps. ~67% fixed at 6.17%
NZD 2030	200	100% fixed at 2.5%
AMTN 2030	325	Swapped to a margin of 1.73% over floating (BKBM) through cross currency interest rate swaps. ~30% is fixed using an interest rate collar of 5.48% to 6.05% from March 2025
EMTN 2032	822	Swapped to a margin of 1.28% over floating (BKBM) ~ 60% is fixed at 4.85%
NZD 2056	170	~90% fixed at 5.93% until first call in June 2031

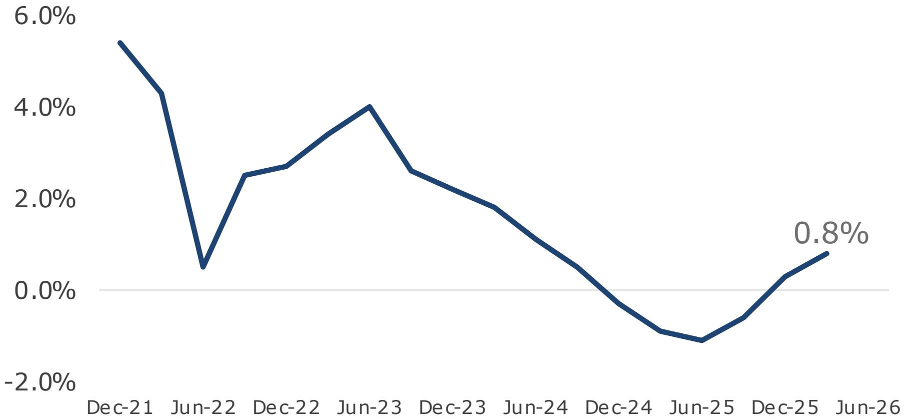
New Zealand macro-economic data

ANNUAL CPI (%)

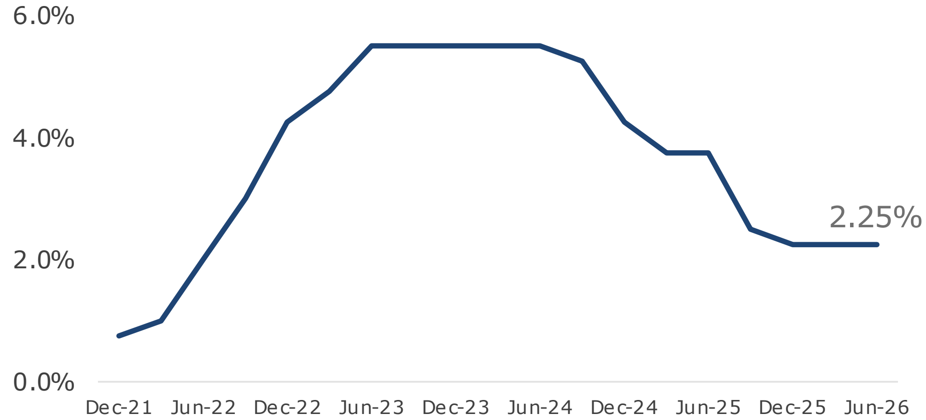


- Unemployment rate: 5.6% (Jun’26)
- Annual inflation rate: 4.1% (Jun’26)
- New dwellings consented: 40,581 (12 months ended Jun’26, up 19.0% vs 12 months ended Jun’25)
- Net migration gain: 18,800 (12 months ended May’26)
- OCR increased to 2.50% on 8 Jul’26

12 MONTHLY ROLLING GDP (%)



RBNZ OFFICIAL CASH RATE (%)



source: StatsNZ, RBNZ

Chorus Annual Report

For the 12 months ended 30 June 2026

CHORUS

Introduction

Strategy & operational performance

Our enablers

Financial statements

Governance & disclosures

Publication date: 24 August 2026

Delivering with purpose

FY26 overview

+3% FIBRE CONNECTIONS vs FY25

+3% EBITDA[1] ($m) vs FY25

+$33m NET PROFIT /(LOSS) ($m) vs FY25

+4% DIVIDEND (cps) vs FY25

-7% ELECTRICITY USE vs FY25

-43% SCOPE 1 & 2 EMISSIONS vs FY20 BASE YEAR

3,055 DIGITAL EQUITY CONNECTIONS

8.4/10 ENGAGEMENT SCORE vs 8.4/10 IN FY25

About this report

Our 2026 Annual Report covers the financial year ended 30 June 2026 (FY26) and includes our Sustainability Report incorporating environmental, social and governance (ESG) performance. Other documents in our FY26 reporting suite can be found at company.chorus.co.nz/sustainability and include our:

- FY26 Climate Statements; and
- FY26 Climate and sustainability-related workbook.

This report explains what we at Chorus are prioritising to create value over time with our purpose of **Unleashing potential through connectivity. Enabling better futures for Aotearoa.**

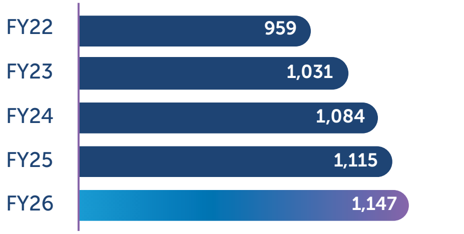
Important note: This report includes sustainability-related data, assessments and forward-looking statements that are by their nature subject to significant uncertainty, assumptions and limitations. Inputs may be incomplete or unreliable, and modelling methodologies are still evolving. As such, information may change and should not be relied upon as definitive. In particular, forward-looking statements, including targets, forecasts and strategic plans may not eventuate as expected for a range of reasons. Chorus cautions readers not to rely on these forward-looking statements in the same way that they might rely on Chorus' other external reporting. For further information, please read the limitations detailed throughout this report and noted in the appendix below.

This report is dated 24 August 2026 and is signed on behalf of the Board of Chorus Limited by Mark Cross, Board Chair, and Kate Jorgensen, Chair of Audit & Risk Management Committee.

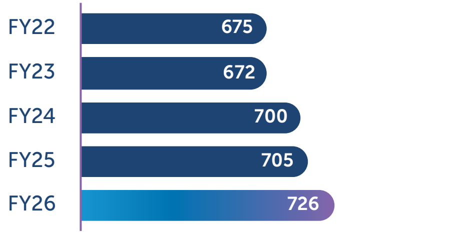
Mark Cross
Director and Board Chair

Kate Jorgensen
Director and ARMC Chair

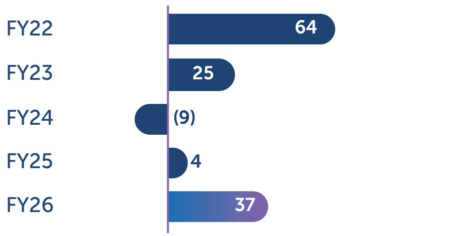
FIBRE CONNECTIONS ('000)



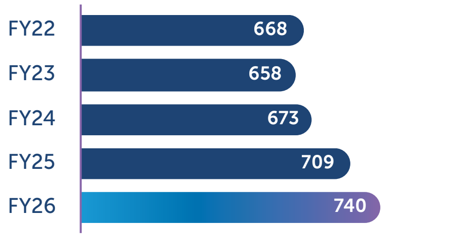
EBITDA[1] ($m)



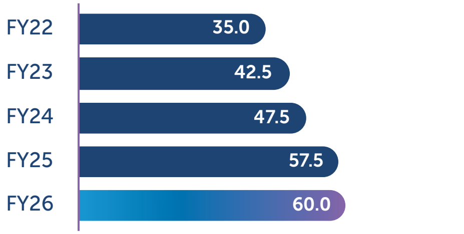
NET PROFIT/(LOSS) ($m)



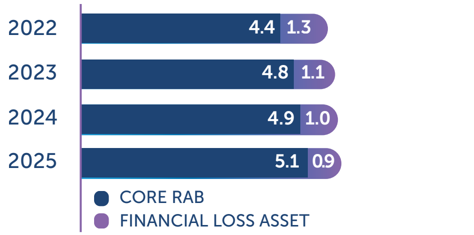
NET CASH FLOWS FROM OPERATING ACTIVITIES ($m)



DIVIDEND (cps)



REGULATORY ASSET BASE - RAB ($ million)[2]



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 Closing amount as at 31 December.

Chorus plays a critical role in New Zealand's digital economy, enabling connectivity, productivity, and innovation for businesses, communities, and households nationwide.

We are New Zealand's largest telecommunications infrastructure provider, with ~75% share of New Zealand's fibre footprint, delivering a nationwide fibre network that connects over 1.1 million households and businesses. In an increasingly digital future, advances in customer-facing technologies and services, and increasing data demand from AI, place Chorus at the heart of delivering connectivity.

As a wholesale-only, fixed-line network operator, we provide open access to around 100 retail service providers.

A utility-style regulatory framework applies to our core fibre business including a revenue cap, regulated asset base (RAB) and quality standards.

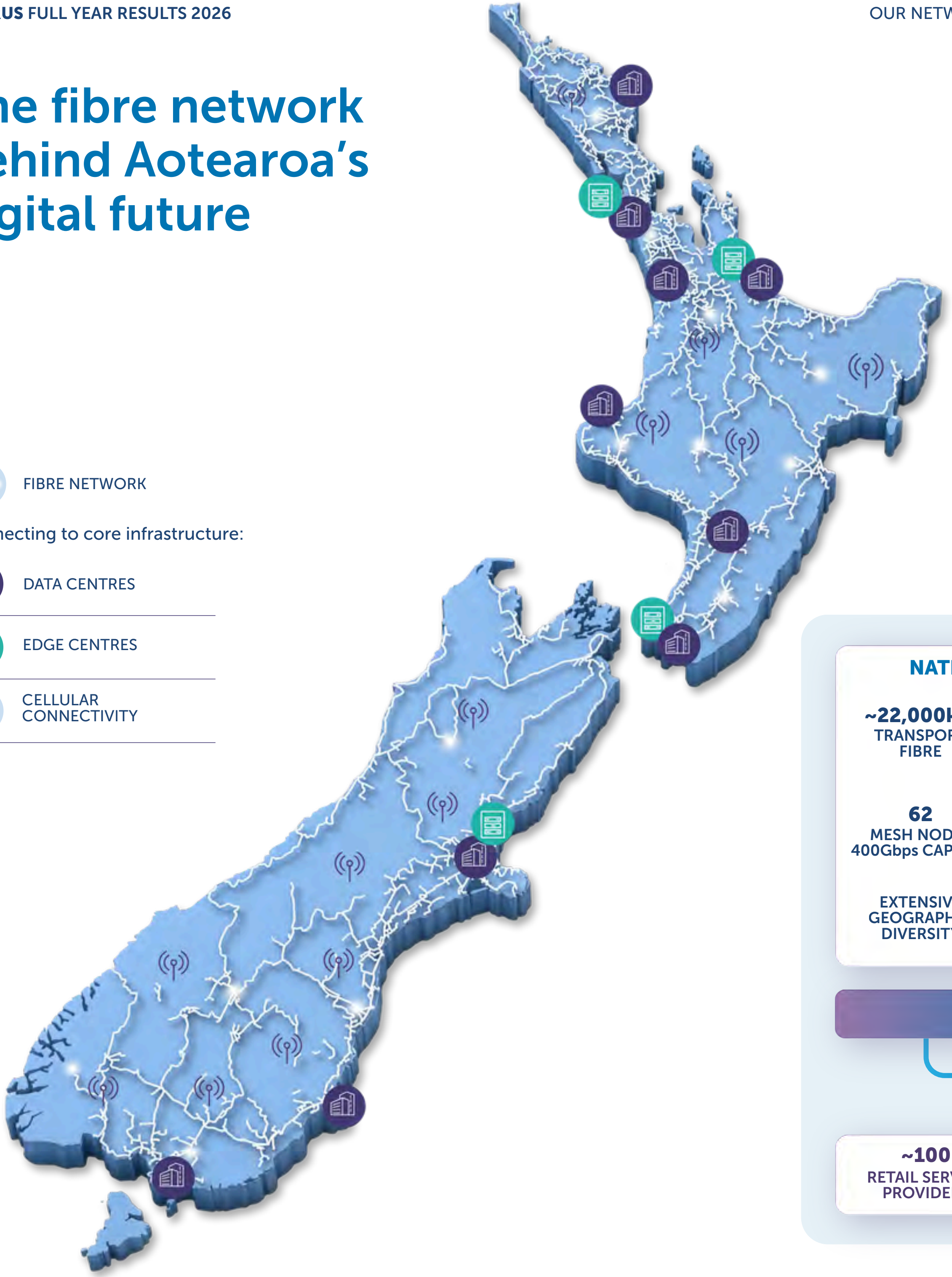
The company is dual listed on the NZX and ASX (ticker: CNU).

OUR PURPOSE

Unleashing potential through connectivity.

Enabling better futures for Aotearoa.

The fibre network behind Aotearoa's digital future



FIBRE NETWORK

Connecting to core infrastructure:

DATA CENTRES

EDGE CENTRES

CELLULAR CONNECTIVITY

87% FIBRE FOOTPRINT ACROSS NZ, OF WHICH CHORUS HAS ~75%

1.1M ACTIVE MONTHLY FIBRE CONNECTIONS

200,000+ KILOMETRES OF TOTAL FIBRE

~750 EMPLOYEES NATIONWIDE

$1B+ REVENUE PER ANNUM

NATIONAL REACH

~22,000km TRANSPORT FIBRE

400Gbps 400Gbps CAPABLE DWDM TRANSPORT NETWORK

62 MESH NODES 400Gbps CAPABLE

51 POINTS OF INTERCONNECT

EXTENSIVE GEOGRAPHIC DIVERSITY

80 CORE NODES WITH FULL DIVERSITY

ACCESS

~190,000km ACCESS FIBRE

1-10Gbps LAYER 2 ACCESS PRODUCTS

DIVERSE POINT-TO-POINT FIBRE ROUTES

~22,000km FIBRE SERVICE LEADS CONDUIT

EXTENSIVE ASSET BASE

~60,000km NATIONWIDE DUCT NETWORK

~200,000 POLES

14,600 ROADSIDE CABINETS

~600 EXCHANGES (4x EDGE CENTRES)

200,000+km of total fibre

CONNECTING

~100 RETAIL SERVICE PROVIDERS

Majority of NZ DATA CENTRES

1.1m HOMES AND BUSINESSES

3,400 MOBILE CELLSITE LOCATIONS

2,000+ SMART LOCATIONS

Letter from Chair

Dear Investors,

On behalf of your Board, I am pleased to report that Chorus delivered revenue, EBITDA and net profit growth in FY26 compared to FY25, demonstrating the resilience of our digital infrastructure assets.

Our results were underpinned by our 1.2 million customer connections across the country. Fibre is increasingly regarded as an essential service, enabling our customers to thrive while supporting New Zealand's economic growth prospects and keeping the country digitally connected. The high performance and reliability of our network is critical for our country to succeed.

Mark Cross
Board Chair

"Chorus delivered revenue, EBITDA and net profit growth in FY26, demonstrating the resilience of our digital infrastructure assets. We are focused on enabling better digital futures for New Zealand, and we have a clear line of sight to an all fibre network."

Fibre is reliable, resilient and future-proofed

Digital infrastructure has moved to the centre of the Artificial Intelligence (AI) debate. Governments and investors around the world are treating networks, data centres and power as strategic national assets, because AI is only as useful as the connectivity that carries it. New Zealand is no exception: the value we capture from AI will depend on infrastructure that is already built, already high speed and already reaching most of the country. Chorus has spent more than a decade building exactly that, and our network can carry the next wave of demand without any architectural change. The Board sees fibre as critical infrastructure for New Zealand, and that is the strongest argument for continuing to invest in it.

We are pleased with the continued trajectory of fibre uptake, which sits at 75.9% of addresses where Chorus fibre is available. Our aspiration is for 80% uptake by 2030 and the Board remains firmly focused on it, while ensuring assets are reliable and efficient.

Chorus is moving at pace to retire copper, and during the year we brought the retirement date forward to 2028. Only 44,000 copper lines remain nationwide, fewer than 1,000 of them in fibre areas. A smooth transition for those customers is paramount, and we will keep working closely with government and other stakeholders to achieve it.

Promoting digital equity

In March 2026 we launched Equity Fibre 100, an affordable wholesale broadband product for eligible low-income households. With retail prices capped at $30 per month, the service makes fast, reliable fibre broadband more accessible. Equitable access to world-class digital infrastructure is a foundation for participation and opportunity, and this initiative reflects our ambition to contribute to positive intergenerational change across New Zealand. This is just one example of how the Board applies ESG thinking for long term value.

Sustainability, people and governance

Fibre is a low-emissions broadband technology, and our sustainability results improved again this year as we move to an all-fibre business. During the year we lowered our electricity use by 6.7% from FY25 and we saw a 43% reduction in Scope 1 & 2 carbon emissions from our FY20 base year.

Diverse perspectives at both workforce and Board levels make for better decisions, and we aim to be an employer of choice with a 40:40:20 gender representation target. We have met our target in three of our five people categories including female representation in our people leaders now at 40%.

During the year, through board education sessions, directors deepened their knowledge of data centres, alternative broadband technologies, retail service providers, Māori culture and responding to a cyber crisis, and strengthened relationships across the political spectrum. There were no changes to the Board this year. Board succession is an ongoing topic to ensure we plan for the retirement of directors and are bringing needed skills onto the board in line with our strategy.

The Board monitors cyber risk closely as threats are relevant to the secure and reliable operation of our critical national infrastructure network. As a wholesaler we hold less customer information than an integrated telecommunications company, but protecting what we do hold remains a key priority.

In line with recommendations from the Telecommunications Regulatory Review, Chorus and the Crown have executed a variation to the governance arrangements that enables shareholders to consider the removal of the company's legacy ownership restrictions which require Ministerial approval for ownership of more than 10% of Chorus voting shares or over 49.9% if the proposed owner is not a New Zealand national. The proposal will be presented for shareholder approval at the November 2026 Annual Shareholders' Meeting.

Letter from Chair (continued)

Growing dividends, strong balance sheet

A sustainable, growing dividend is a core pillar of our capital management framework. We intend to keep growing it at least in line with inflation, within our policy range of 70% to 90% of net operating cash flows after sustaining capital expenditure and net interest.

We have announced a final unimputed dividend for the year of 36.0 cents per share, bringing total dividends for FY26 to 60.0 cents per share, an increase of 4%.

For FY27 we have provided dividend guidance of 62 cents per share minimum, partially imputed, subject to no material adverse changes in circumstances or outlook. This continues to meet our objective of delivering real dividend growth.

Our five-year total shareholder return (TSR) was 105%, 96 percentage points ahead of the NZX50. TSR matters because it aligns management incentives with shareholders' experience and encourages longer-term decision making.

The Board considers that a credit rating of at least 'BBB' or equivalent is appropriate for a company such as Chorus. We intend to maintain capital management and financial policies consistent with these credit ratings.

We will continue to use the balance sheet to fund capex where it meets our investment hurdle rates. Any growth investment must deliver greater shareholder value than returning it to shareholders.

Continued confidence for the future

The Board's expectation of management is a simple one: say what we are going to do, and then do it. That discipline shows up in staying close to the core business we know best, and in the continual improvement of our operating and capital efficiency that funds everything else we want to achieve.

We are focused on enabling better digital futures for New Zealand and we have a clear line of sight to an all-fibre network. We have regulatory clarity to 2029 and have begun planning for the period beyond that. As data usage and demand continues to grow, particularly with AI, access to high-capacity, reliable fibre for all New Zealanders will be essential.

On behalf of the Board, I wish to extend our thanks to our customers, our partners, our people and our shareholders for your continuing support of Chorus.

Mark Cross
Board Chair

Chorus fibre connects to thousands of cell sites across urban areas and nationwide

CEO report

Mark Aue
Chief Executive

"Artificial intelligence is emerging as a powerful new driver of digital connectivity demand, reinforcing the importance of New Zealand's fibre infrastructure. As the country's largest fibre network provider, Chorus is helping enable the next generation of innovators, producers and creators through the high-capacity, reliable connectivity that increasingly underpins digital activity."

Strong performance underpinned by disciplined execution

Chorus delivered a strong financial and operational performance in FY26, reflecting the resilience of our business model, disciplined execution and focus on driving simplicity and efficiency as we transition to an all-fibre business.

Net profit after tax for the year ended 30 June 2026 (FY26) increased to $37 million, up from $4 million in FY25. Earnings before interest, income tax, depreciation and amortisation (EBITDA) grew 3% to $726 million, an increase of $21 million on FY25. This result reflects our continued ability to perform well in a challenging macroeconomic and geopolitical environment.

Our product portfolio encompasses a range of wholesale broadband, data and voice services across a mix of regulated and commercial products. Operating revenue was $1,029 million, up $15 million from FY25, with 6% growth in fibre revenues more than offsetting the decline in legacy service revenues. Average monthly revenue per user (ARPU) on fibre services increased from $58.28 in June 2025 to $59.51 in June 2026.

At 30 June 2026, we had approximately 1,191,000 fixed line connections compared to 1,207,000 at 30 June 2025. Of this, our total fibre connections grew by approximately 32,000 to 1,147,000 during FY26 and now comprise 96% of Chorus' total connections at year end. Overall fibre uptake grew to 75.9% of addresses where Chorus fibre is available, excluding local fibre company areas, up from 74.3% at the end of FY25[1].

Copper connections declined by 48,000 nationwide as customers migrated to fibre and other technologies. The copper-to-fibre transition is now largely complete across New Zealand's fibre footprint, with fewer than 1,000 copper connections remaining to migrate to fibre across all fibre companies' networks and only 43,000 copper connections remaining in areas where fibre is not available.

Our ongoing focus on simplicity and efficiency saw total operating expenses reduce by $6 million to $303 million in FY26. These cost savings resulted from the changed operating model we have implemented and included lower network maintenance costs (from lower copper fault volumes), lower consulting and discretionary spend partly offset by higher engineering activity, and higher non-tradeable inflation such as rates and electricity line charges.

Total depreciation was lower year on year as Chorus fibre area copper cables were fully depreciated in FY25. Capital expenditure (capex) was $375 million in FY26, down $40 million from FY25 with lower spend on discretionary growth capex due to project phasing. Net cash flows from operating activities increased by 4% from FY25 to $740 million in FY26. After adjusting for sustaining capex and net interest, free cash flow for allocation was $377 million.

Finally, following a change in accounting policy to the revaluation model, Chorus revalued its network assets during the year, resulting in a $983 million increase in the carrying amount.

Our Purpose in action

At Chorus, our overarching purpose is "Unleashing potential through connectivity. Enabling better futures for Aotearoa". It guides how we think about long-term value, our role as a critical digital infrastructure provider, and our transition to a simplified all-fibre business. Chorus' inclusion in the top ten of Forsyth Barr's 2025 corporate ESG ratings of NZ companies provides external recognition of the governance, transparency and sustainability credentials that support this approach.

During FY26, we sharpened how we bring our purpose to life through three connected focus areas: resilient connectivity, equitable connectivity and future-fit connectivity. These give us a clearer way to focus effort and guide decisions on where Chorus can have the greatest real-world impact: keeping New Zealand connected when it matters most, improving fair access to the benefits of connectivity, and building the workforce and capability needed for the future.

The launch of Equity Fibre 100 is a practical example of our purpose and equitable connectivity in action. The product is designed to give eligible low-income households access to fast, reliable fibre broadband through a low-cost offering. Developed alongside community, it has been informed by the needs of the households it is intended to support.

1 Total address base adjusted in Q4 FY26 to remove ~53k non-serviceable/vacant lots where a premise cannot be connected. FY25 has also been restated.

CEO report (continued)

Building a simpler, stronger Chorus

With our strategy embedded and a clear vision of becoming "a simplified all-fibre business with 80% uptake by 2030", FY26 marked the first year of Horizon 2 (FY26-FY29), the second phase of our long-term strategy. This critical phase shifts our focus to growth, simplicity and efficiency. During the year, we strengthened capability through key executive and senior leadership appointments and established a dedicated data and analytics team. Together, these investments are helping position Chorus as a simpler, more efficient, innovative and competitive business.

With fibre uptake at 75.9%, reaching our 80% target will require new approaches to connecting the remaining households and businesses. Our focus is now on remaining addresses where fibre is available but not connected, either because an Optical Network Terminal (ONT) has not been installed or because customers have not adopted a fibre service.

Brand fibre messaging continues to resonate, lifting awareness of fibre's advantages over other technologies. Research trends remain positive with 66% preferring fibre as their first-choice internet connection, compared with 12% for fixed wireless[1]. To enhance this, we are also improving the in-home fibre experience by simplifying the connection process and creating a clearer pathway for uptake in Hyperfibre plans.

Scaling New Zealand's digital infrastructure

In our core infrastructure business, while the property sector has continued to experience subdued activity, our new property development (NPD) volumes tracked broadly in line with long-term historical levels. We delivered 22,000 lots during the year compared to 24,000 lots in FY25 and our pipeline continues to support our estimates of 20-25,000 lots per annum. At the half year, improving demand conditions began to lift incoming NPD volumes, however, geopolitical disruption in the fourth quarter brought a return to a more cautious approach by developers. Encouragingly, at year end, building consent volumes increased 19% year-on-year.

We continue to assess adjacent infrastructure opportunities through a rigorous investment framework, with a focus on scalable returns that support our Horizon 2 ambitions. This approach has seen several opportunities brought to market, while recognising that some require time to commercialise and others have not met our investment criteria.

This has seen the launch of several new products in FY26 and more recently: (1) Express Connect, giving businesses a fast and reliable way to move their data from order to service and is available in eight data centres; (2) Unified Transport, offering a streamlined, simplified data transport product for customers; (3) TimeSync, a national precision timing service that will provide greater diversity and redundancy, helping to strengthen national resilience and support essential services.

We also continue to explore other infrastructure opportunities: (4) we have committed to a feasibility assessment of a North - South Island subsea cable bringing new inter-island capacity and resilience; and (5) Battery Energy Storage Systems (BESS) that would leverage the large Chorus property portfolio. Both reflect our core role in supporting critical national infrastructure and we will assess commercial, delivery and operational considerations before making any final investment decision.

Keeping our people engaged and safe

Our people engagement score was 8.4 out of 10 - remaining in the top 25% of technology industry benchmark. On safety, there were seven recordable injuries in the year which were of minor severity. We also remain vigilant of the treatment of our outsourced field technician workforce. Our worker welfare programme continues to promote best practice and monitors for potential issues.

AI is reshaping demand for fibre

Artificial intelligence is emerging as a powerful new driver of digital connectivity demand, reinforcing the importance of New Zealand's fibre infrastructure. As the country's largest fibre network provider, Chorus is helping enable the next generation of innovators, producers and creators through the high-capacity, reliable connectivity that increasingly underpins digital activity.

Total data traffic on our network continued to grow during FY26, up 10% on FY25, and AI is expected to add further momentum to this trend. Industry forecasts suggest AI could account for 25% to 30% of all internet traffic by 2035[2], with a growing proportion of that traffic being upload-intensive. While our network traffic today remains predominantly download-led, with downloads accounting for 87% of usage and uploads 13%, we are already seeing upload traffic grow faster than download traffic, signalling the early stages of a structural shift in how networks are used.

This evolution matters because the next wave of AI adoption, cloud computing, content creation, remote work, online learning and digital healthcare will require not only greater network capacity, but also faster upload speeds, lower latency and more consistent performance. Fibre has these structural advantages built in. Its symmetrical capability and low-latency characteristics position it to support the more balanced data flows that AI-enabled applications will increasingly generate, while shared-access technologies like fixed wireless may face greater challenges delivering the same experience at scale.

Connectivity is also a critical enabler of data centre development, alongside power infrastructure. When planned together from the outset, these foundations support resilient, efficient and scalable digital growth. As New Zealand's digital economy continues to evolve, Chorus is well positioned to provide the connectivity platform that will underpin the country's future competitiveness and innovation.

1 Source: Consumer monitor
2 Source: Nokia and Cisco

CEO report (continued)

Capital management and dividends

During the year, Chorus issued EUR400 million notes and repaid EUR244 million of the EUR300 million notes due at the end of 2026.

In December 2025, the New Zealand Government announced that it was commencing a sale process in relation to the securities National Infrastructure Funding and Financing (NIFF) holds in Chorus Limited. On 7 August 2026 the Crown agreed to the sale of those securities to a select group of domestic and international institutional investors with settlement occurring by the end of August 2026. There is no material change to the terms and conditions on which the securities were issued as a result of the sale process.

Chorus will pay an unimputed final dividend of 36.0 cents per share on 6 October 2026 to all shareholders registered at 5:00pm on 15 September 2026. The shares will be quoted on an ex-dividend basis from 14 September 2026. 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.

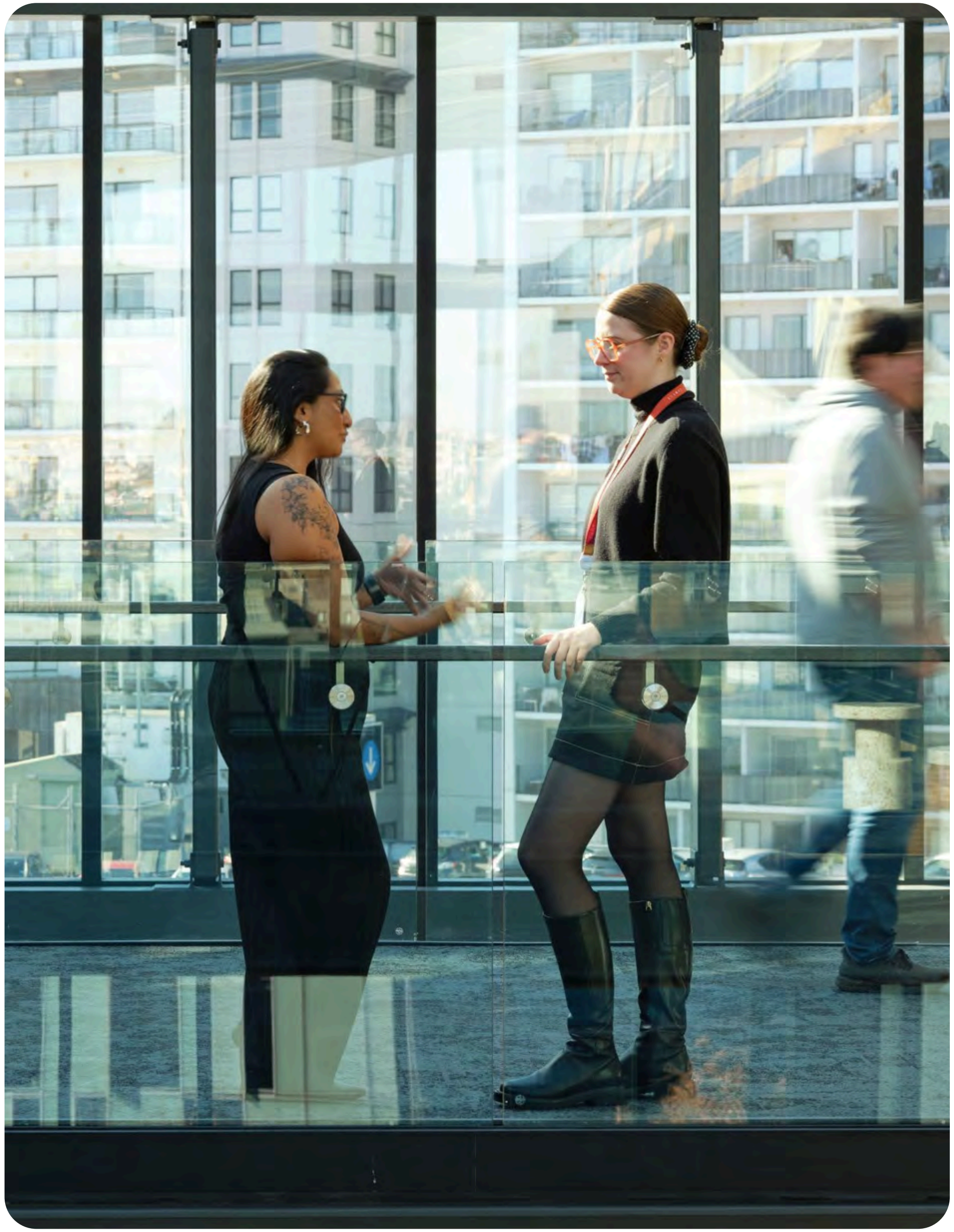
Outlook

Looking ahead, we expect FY27 EBITDA of between $730 million to $760 million and an FY27 dividend of 62 cents per share minimum subject to no material adverse changes in circumstances or outlook. The company also expects to be in a position to partially impute the FY27 dividends.

We remain focused on executing our strategy, driving fibre uptake, improving customer experience, simplifying our operations and pursuing disciplined growth opportunities. As demand for high-capacity, reliable, low latency connectivity grows, we are confident in the long-term outlook for fibre and in our ability to create enduring value for our customers, communities and shareholders.

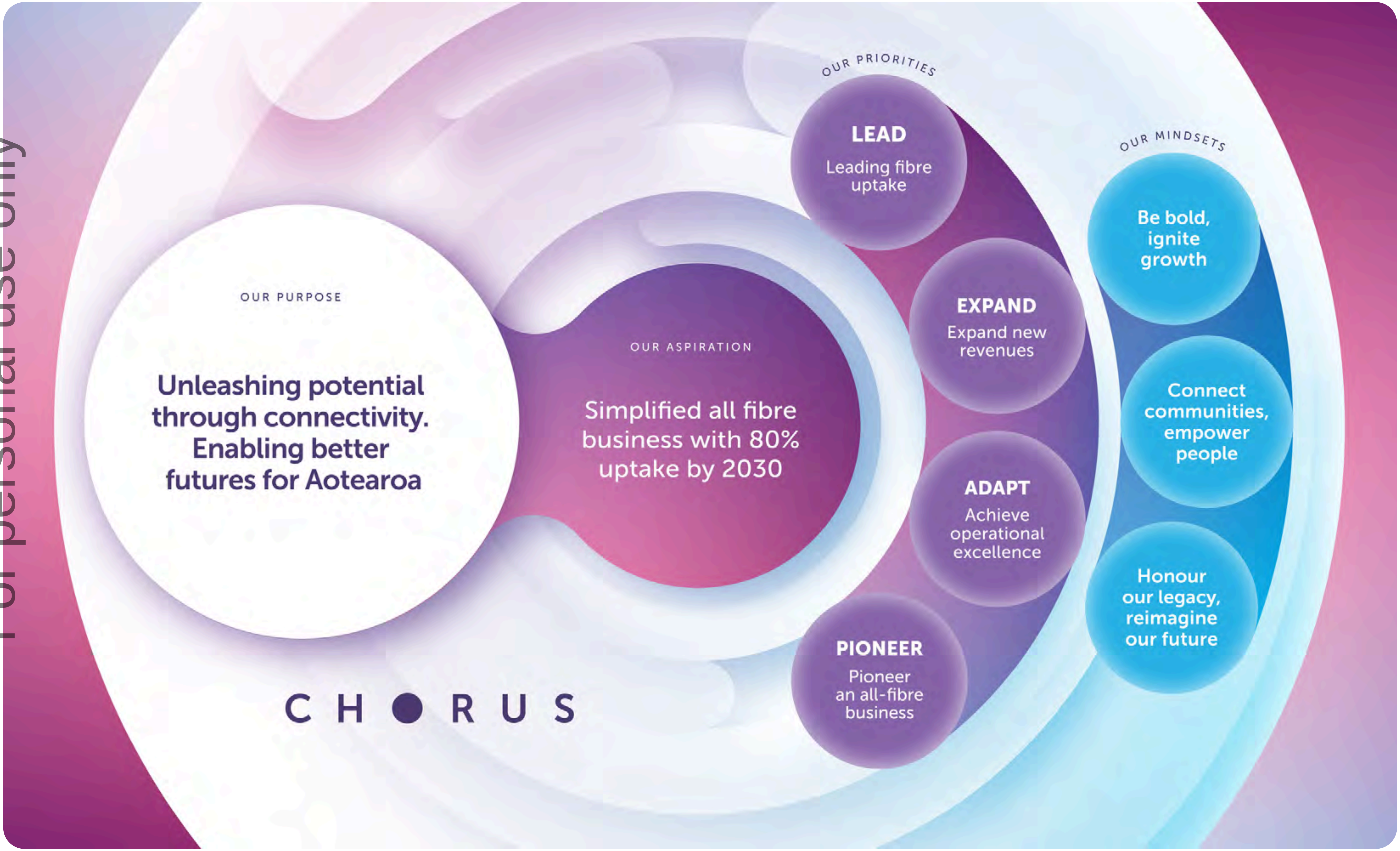
The future is increasingly digital, increasingly AI-enabled and increasingly dependent on fibre. Chorus is uniquely positioned to power that future.

Mark Aue
Chief Executive



Strategy & operational performance

Our strategy



How we create value

INPUTS

Our people
Human /Intellectual Capital

745 employees
(420 male | 325 female)
992 technicians
1,982 hours volunteered

Our customers & partners
Social Capital

~100 retail service providers (RSPs)
~950 key suppliers

Our communities
Human /Social Capital

$505k charitable donations
~80 eligible laptops donated
9 community events

Our environment
Manufactured /Natural Capital

200k+ km fibre nationwide
~15k cabinets | ~600 exchanges (4 Edge Centres) | ~200k poles
66.7 GWh electricity
159,569 l diesel and petrol-generated electricity

Commercial
Financial Capital

$5,142m Core Regulatory Asset Base (excl. Financial Loss Asset)
$303m Operating expenses
$375m Gross capex
Baa2 stable (Moody's) | BBB positive outlook (Standard & Poor's)

CHORUS BUSINESS ACTIVITIES

GOVERNANCE

STRATEGY

OUR PURPOSE

Unleashing potential through connectivity.
Enabling better futures for Aotearoa.

MINDSETS

OUTPUTS

Greater fibre uptake
→ 87% fibre footprint
↑ 75.9% fibre uptake
↑ 1.1m active monthly fibre connections

Continued focus on fibre sentiment
↓ +46 Fibre NPS
↓ 2.84 fibre faults per 100 connections (layer 1)*
→ 1.24 fibre faults per 100 connections (layer 2)*
**Fault numbers are 2025 calendar year, and exclude force majeure events.*

Progress on social outcomes
↑ 1,300 new premises added through Community co-fund programme
↑ 3,055 digital equity connections

Continued focus on people and culture
→ 8.4/10 overall engagement score ↓ +56 total eNPS
↑ 40% women in people leader roles
↑ 33% women in executive roles
→ 10% Māori and Pasifika representation
↑ 2.16 TRIFR

Reduced environmental impact
↓ 5,998 tCO2e Scope 1 & 2
↓ 7% reduction electricity
↓ 96% total waste recycled

Resilient financial position
↑ $726m EBITDA
↑ dividend 60.0 cps

MATERIAL TOPICS

The world we operate in can impact our inputs, business drivers, outputs and outcomes.

- Network reliability
- Network resilience
- Digital inclusion/equity
- Health & safety
- Community engagement & social licence
- Cybersecurity & data governance
- Sustainability supply chain practices
- Board diversity & independence
- Regulatory compliance
- Diversity, equity & inclusion
- Risk management & resilience planning

TARGET OUTCOMES

Future-fit Connectivity
Page 28

Chorus has the people, capability and culture needed to deliver for a changing Aotearoa and respond to future technology, customer and community needs.

Resilient Connectivity
Page 31

New Zealand's connectivity infrastructure is resilient, reliable and capable of supporting economic and social needs during disruption.

Equitable Connectivity
Page 33

More people and communities can participate in the digital world, supported by affordable connectivity and trusted partnerships that help remove barriers to digital inclusion.

↑ = increase vs FY25 → = no change vs FY25 ↓ = decrease vs FY25

FY26 progress against our strategy

LEAD

- 75.9% fibre uptake
- focusing on expanding connections via ~200k "winback" (ONT[1] installed but is inactive) & ~200k "brownfield & infill" (no ONT[1] installed) opportunities
- simplified suite of products and plans in market
- new retailer incentives introduced, simplifying and improving focus on winning off-net fibre customers
- improving NZ digital inclusion with Equity Fibre 100 product launched and in-market

EXPAND

- core mobile infrastructure expansion
- expanded Express Connect to more data centres
- customer innovation through launch of Unified Transport product
- legacy services migration off the old Regional Ethernet Network complete
- new property development to 22k lots passed
- disciplined approach exploring infrastructure opportunities for FY27 including:
  - feasibility assessment for a new North - South Island Subsea cable
  - deployment trial for small scale Battery Energy Storage Systems (BESS) across Chorus property footprint

ADAPT

- building capability with Data & Analytics function established; new executive appointments made:
  - **Ken Walliss,** Executive General Manager, Access
  - **Martin Sharrock,** Chief Technology Officer
  - **Matt Bolton**, Executive General Manager, Infrastructure
- efficiency & simplicity gains in cost base; strong capital discipline
- solid debt profile; refinanced EMTN at record-tight pricing for Chorus
- maintaining at least 'BBB' or equivalent credit rating
- leveraging core IT infrastructure for AI enablement
- positive outlook for regulatory change

PIONEER

- copper retirement in UFB areas substantially complete
- bringing forward copper retirement timeframe to 2028
- copper retirement progressing with ~1,000 cabinets powered down in FY26
- copper recycling programme established and underway
- fibre expanded to 1,300 more premises through the Community Co-Fund fibre build programme
- multi-year programme for property optimisation underway

1 Optical Network Terminal (ONT)

LEAD

OUR LEAD PILLAR IS ABOUT LEADING FIBRE UPTAKE

	CONNECTIONS 30 JUNE 2026	CONNECTIONS 30 JUNE 2025
Fibre broadband (GPON)	1,139,000	1,106,000
Fibre premium (P2P)	8,000	9,000
Copper VDSL	18,000	34,000
Copper ADSL	18,000	34,000
Baseband copper	8,000	24,000
Total fixed line connections*	**1,191,000**	**1,207,000**

** includes several thousand partly subsidised education connections*

	FY26	FY25
Fibre addresses passed*	1,499,000	1,487,000
Fibre uptake (% of addresses passed)*	75.9%	74.3%
Average monthly data use (GB) – per fibre connection	731	671
Fibre customers using >1,000GB per month	21%	19%

** FY25 restated to exclude non-serviceable/vacant lots where a premise cannot be connected*

Fibre growth continues with uptake now at 75.9%

At the end of June 2026, fibre uptake reached 75.9%, up from 74.3% in FY25, with 32,000 fibre connections added during the year to finish with 1,147,000 active fibre connections. We also expanded our fibre footprint by 12,000 addresses to 1,499,000 passed addresses. Across major national urban areas, fibre uptake was above 78% bringing us closer to achieving our objective of 80% fibre uptake by 2030.

To achieve our 2030 targets, we are focused on two large pools of opportunities to gain future fibre customers. The first pool is approximately 200,000 addresses that have an ONT installed but currently inactive, meaning the address is either not occupied or an alternative technology is being used for broadband connectivity. We refer to these as "winback" opportunities.

The second pool is another approximately 200,000 addresses which have been passed with fibre but no ONT was installed initially in the premise. We refer to these as "brownfield & infill" addresses. Of the winback opportunities we provide a targeted incentive framework to all our retail service providers (RSPs) and we partner with them as they develop their campaigns that prioritise converting customer addresses back to fibre broadband service. For the brownfield & infill opportunities, our Data and Analytics team consolidate external commercial data with our fibre available address lists to identify new locations that qualify for fibre service to be installed. We provide those addresses to our RSPs as an opportunity to get "New to Fibre" installations.

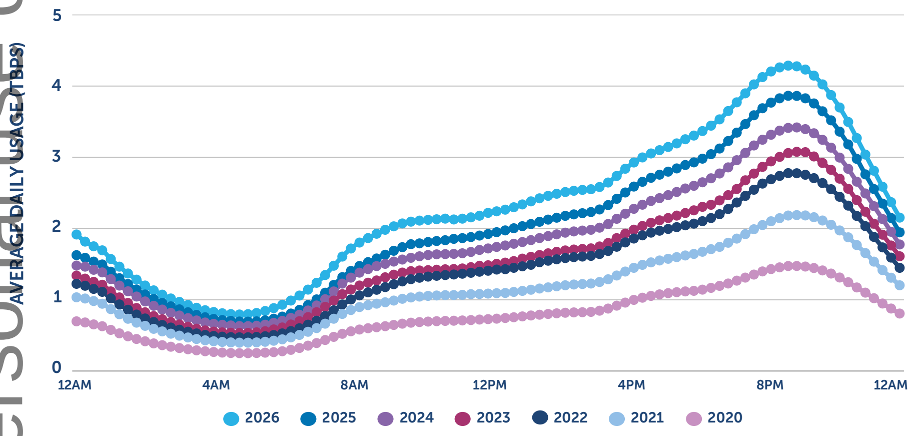
We continually partner with our RSPs to support them on maximising uptake on the variety of offers they advertise whether for Winback or Brownfield campaigns. As a wholesaler, keeping fibre front of mind for our customers is critical and we maintained our 'New Zealand runs on fibre' campaign throughout the year. We also continued to drive fibre's awareness through live sports streaming events.

These events, large gaming updates and more data consumption continue to lift data usage. The average monthly data use per fibre connection was 9% higher than the prior year at 731 gigabytes. Also, approximately 21% of fibre customers consumed more than 1 terabyte of data (1,000 gigabytes) in June 2026, up from 19% in the prior year.

LEAD

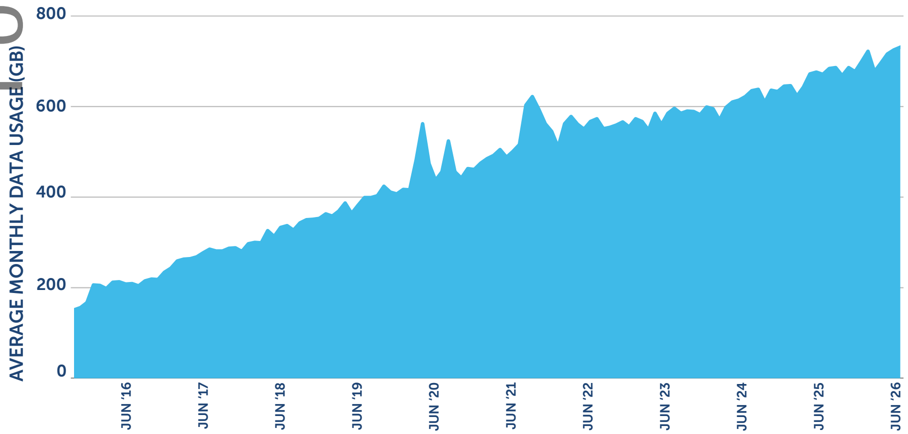
AVERAGE DAILY USAGE PER YEAR

Average daily data usage continues to grow year on year



MONTHLY DATA USAGE GB

Average monthly data usage increased 252% over the last 10 years



Correspondingly, total **data traffic** was 10% higher than the prior year at 9,600 petabytes with the annual increase equivalent to around 32,000 years of continuous high-definition streaming. These factors, combined with the increase in average number of connected devices per household, are evidence that the market continues to move in fibre's favour with households needing more capacity.

As an important conduit to our end customers, we deepened engagement with our RSPs holding eight consultation sessions through the year and we strengthened our incentive framework to better support shared growth and delivery outcomes. In addition, we migrated customers off legacy products, (e.g. High Speed Network Services Copper) and drove leadership through new industry events for our partners.

Following the simplification of our fibre products, plan mix remained very stable year on year, with 86% of customers on plans of 500Mbps or higher and the remainder on 100Mbps or voice plans.

During the year we were proud to launch our **digital equity product,** Equity Fibre 100, which helps lower socio-economic households. This is covered in our section on our enablers on page 33.

As we look ahead (over and above the continued annual increase in data usage), the significant increase in the use of AI that is to come, increases in connected devices in households and the ongoing migration from linear TV to interactive streaming will drive data consumption and data upload demand much higher. Fibre provides the low latency and multi-gigabit symmetrical speeds necessary for optimum AI data workloads and Chorus has the fibre network to meet these demands.

Average monthly data usage of

731

GIGABYTES

Up 252% over 10 years

731 GIGABYTES
=
~100 HOURS 4K streaming

21%

fibre customers use >1,000 GIGABYTES per month

LEAD

Customer satisfaction

	FY26	FY25
Customer satisfaction: fault restoration (12-month average) Assure	8.6/10 (target 8.5)	8.5/10 (target 8.4)
Customer satisfaction: intact provisioning (3-month rolling average to 30 June)	8.1/10 (target 8.1)	8.1/10 (target 7.9)

Customer satisfaction remains a key focus as we continue to demonstrate the superior experience fibre delivers over other technologies. In FY26, we lifted the fault restoration performance target to 8.5 and exceeded it, achieving a score of 8.6 for the year. This reflected stronger end-to-end management of the fault journey, supported by targeted improvements with service companies and retailers and more proactive intervention to prevent and resolve faults.

For intact provisioning, customer satisfaction remained stable at a three-month rolling average of 8.1 to the end of June 2026, and in line with our upwards revised target of 8.1 for the year. Targeted retailer improvements supported the result, while new proactive identification and resolution of at-risk ONTs positioned us to maintain and build on activation success and customer satisfaction in FY27.

We continued to work closely with retailers and service companies to improve customer support and restoration performance, both important drivers of customers' decisions to stay with fibre. As disruptive weather events become more frequent, reliable connectivity is increasingly critical. Strong satisfaction following recent events demonstrated our ability to restore connectivity quickly when customers needed it most. Our overall fibre net promoter score (NPS) was +46, down slightly from +48 in FY25, however, compares favourably with fixed wireless (4G and 5G) NPS of -1 for the same time period.

Making fibre simpler is central to Horizon 2. While fibre's consistency, performance and speed are well recognised, home moves remain particularly vulnerable to failed activations because the ONT, address and equipment have not historically been verified before connection. Proactive ONT monitoring and pre-activation intervention are now helping us identify and resolve these issues earlier, improving connection reliability and making it simpler to move home with fibre.

We are also working to ensure the in-home experience delivers the full benefits of fibre. While customers previously often received a new router when switching retailers, they are now more likely to retain ageing equipment or fund an upgrade themselves. With our insights showing that around 50% of identified in-home issues could be resolved through a router upgrade, we are partnering with retailers to support upgrades, improve education and help customers get more from their fibre connection.

In FY26, we completed the delivery of new automation across fibre ordering and retired our legacy platform, the culmination of more than two years of development and retailer migration. The new platform reduces integration cost and complexity for our RSPs and provides a scalable foundation for faster product innovation and improved customer experiences.

EXPAND

OUR EXPAND PILLAR IS ABOUT EXPANDING NEW REVENUES

Our team is focused on scaling the infrastructure that New Zealand's digital economy is built on and developing new opportunities that leverage our assets while growing existing revenue categories. We continue to simplify our infrastructure products to align with evolving AI-era demand. AI systems depend on the continuous flow of huge volumes of data and that connectivity requires critical and reliable infrastructure, which Chorus can deliver and scale. We are targeting annual infrastructure revenues of approximately $180 million to $200 million by 2030.

Demand remains strong for reliable, resilient fibre connectivity to support our customers' assets, including digital billboards and traffic cameras. During the year we continued to drive smart location activations migrating connections from copper to fibre.

Our core **mobile infrastructure** offering of providing backhaul fibre to new cell sites continued, with approximately 3,400 cell site connections at year end. We expanded New Zealand's mobile coverage footprint by supporting 5G infill and expansion with approximately 250 new sites built.

Datacentre220 – our first Express Connect installation

We connect numerous New Zealand **data centres** and continue to innovate on products for our customers. During FY26, we continued the rollout of **Express Connect**, a purpose-built data centre connectivity service that enables RSPs to offer fast, enterprise-grade connectivity. This expansion comes at a time when speed, reliability and simplicity are increasingly important for organisations hosting critical infrastructure in co-location facilities. As more businesses shift servers, storage and specialised workloads from their own environments into data centres for greater stability and security, the need for purpose-built, high-performance connectivity is increasing. Express Connect was available at eight data-centre locations at year end. During FY27, we expect to continue expanding the service to additional data centre sites, prioritising locations that best support partner readiness, customer demand and strategic growth opportunities.

Recently we launched **Unified Transport**, offering a simplified national high-capacity transport product for our customers. Businesses are moving increasingly large volumes of data across more locations and require connectivity that can scale accordingly. The product simplifies the way telecommunications companies, managed service providers, data centre operators and the enterprises they support buy connectivity across the country. Customers now benefit from a more streamlined experience, faster quotes and better pricing.

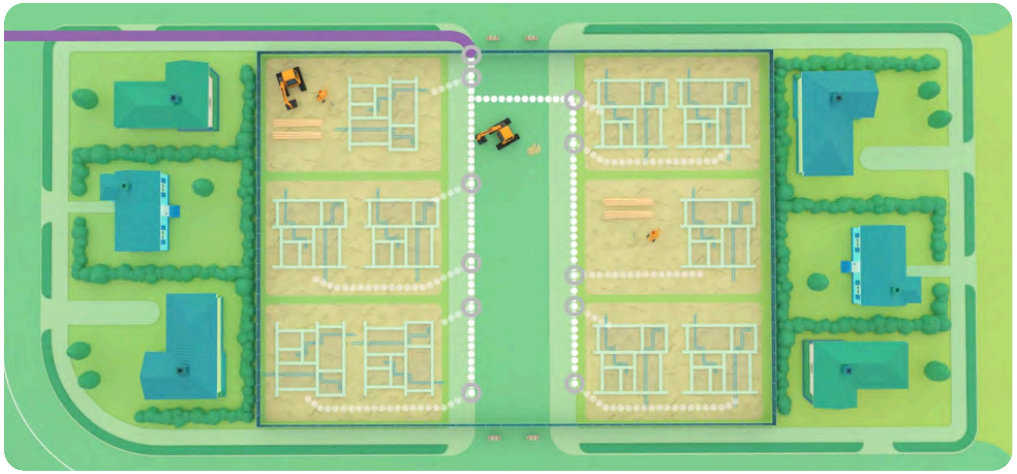
EXPAND

Ongoing customer demand delivered steady growth in rack space across our four **EdgeCentre** co-location exchanges. We are actively exploring partnerships with third parties to accelerate the commercialisation of edge infrastructure and unlock new revenue opportunities. Our approach is that our EdgeCentre capability is positioned to flex with demand. We will leverage partnerships and target deployments to capture opportunities while maintaining optionality as clearer, scalable edge and AI use cases develop.

On **legacy services**, we completed the migration of services from Chorus' old Regional Ethernet Network during the year, delivered through effective partnership with our RSPs.

Chorus is progressing a feasibility assessment on a **new subsea cable** connecting the North and South Islands, reflecting our core role in supporting critical national infrastructure, the digital equivalent of State Highway One for New Zealand. As data usage continues to grow, and as New Zealand seeks to support a more digitally enabled economy, greater inter-island resilience will be increasingly important. To support this work, Chorus has contracted Pioneer Consulting (a specialist international submarine cable consultancy) to provide technical, commercial and procurement support through the early development and due diligence phase. Preparatory work of site-related activity is underway, including consenting, early landing station planning, route and marine engineering and early procurement planning. We will assess the commercial, delivery and operational considerations before progressing to any final investment decision in FY27.

We have commenced a trial of deploying small-scale (less than 5MW) **Battery Energy Storage Systems (BESS)** across the existing Chorus property footprint. The trial will look at the role Chorus can play in helping local lines companies manage future network investment by leveraging BESS technology to smooth energy peaks, while also looking to monetise value from a volatile energy market. We are currently working with two lines companies, and if successful, we would look to expand this programme in FY28.



Through **new property development**, we delivered approximately 22,000 lots passed for the year, within our typical annual range of 20,000 to 25,000 per annum. This compared to 24,000 lots passed in the prior year. As broader economic conditions improve, and supported by inbound orders at year end, we expect this segment to return to growth in FY27. While developers remain cautious, we have a solid pipeline of volume with steady incoming demand and feedback on our delivery performance has been positive. We have strengthened relationships with major developers, including several who have recently re-signed their partnerships with us.

During the year, after completing proof of value trials to assess market and scalability, the Neura brand was divested with investment reprioritised.

ADAPT

OUR ADAPT PILLAR IS ABOUT DRIVING OPERATIONAL EXCELLENCE

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

Regulatory framework

A key factor influencing our ability to deliver operational excellence is the regulatory framework governing Chorus. In March 2026, the Ministry for Regulation issued its final report on its review of the telecommunications sector. The review considered whether current regulation remains fit for purpose in light of technology and market changes. It made 22 recommendations including the recommendation to remove all shareholder caps from Local Fibre Companies' constitutions and recommendations that fibre regulatory processes are streamlined, duplication is removed, and rules are consolidated. We look forward to progress being made in implementing the review's recommendations. Positive progress has been made on shareholder cap removal and Chorus is now in a position to request that shareholders vote on the necessary constitutional changes at the upcoming Annual Shareholders Meeting.

In August 2025, the Commerce Commission issued its final recommendation to the Minister for Media and Communications that copper services should be deregulated, noting there are multiple alternative services available to customers. We support this recommendation and look forward to the Minister's decision.

The Commission is also running its seven-yearly review of the input methodology rules for fibre; the draft decisions indicate modest improvements will be made to the rules to streamline and simplify the requirements, but we do not expect material changes.

As our operating model has evolved, our Horizon 2 focus has been on efficiency and simplicity. We have driven year on year cost reductions whilst absorbing inflationary costs. We have also continued to evolve our capability within our Executive team with the appointments of Ken Walliss, Executive GM, Access; Martin Sharrock, Chief Technology Officer and Matt Bolton, Executive GM, Infrastructure. We also established a consolidated Data & Analytics function and we have evolved our AI integration.

AI at Chorus

We recognise the vital role Chorus plays in enabling AI adoption nationwide. We are also leveraging the value AI can deliver across our business. This is for our staff productivity, for team and business workflow improvements and to transform how our business operates.

Our AI mission statement is to "empower our people, enable innovation and deliver measurable value through trusted and transformative AI."

A recent survey reported that over 80% of Chorus staff are utilising AI for work related tasks. This is via secure AI chat capability and AI embedded in Microsoft tools and many other software solutions utilised throughout Chorus.

A cross-business initiative at Chorus is currently tracking over 125 use cases enabled by AI targeted at improving workflows, processes and practices across the company. These are supported by several different AI implementations and technologies, which is an indication that no one source or supplier can fuel the varied challenges and possibilities for innovation. Use case examples include streamlining work audits by interpreting Chorus field technician policies with real job data, AI-assisted code development and software testing improving the speed, quality, and reliability of network configuration changes. In addition, improved productivity for Chorus call centre agents through the use of AI during and after customer interactions and interactive internal policy agents significantly speeding up data and information search and retrieval, reducing the need for expert questions and intervention.

Security, training and certification are a focus for the Chorus AI initiative and governance. It is clear that the adoption and use of AI is a people and organisational challenge in addition to enabling new technology. All Chorus staff are certified in the safe use of AI at work. Enterprise usage is restricted to approved AI tools and information generated is checked with a 'human in the loop' approach. AI systems must meet Chorus' security, privacy and data-protection standards from design through deployment. Implementation of AI solutions is considered against the Board approved risk management framework including established risk tolerances.

Chorus will continue to adopt a targeted, value-oriented approach to the technology, leverage maturing AI capability, learning from others and moving quickly on proven value cases.

PIONEER

OUR PIONEER PILLAR IS ABOUT PIONEERING AN ALL-FIBRE BUSINESS

Our Pioneer strategy pillar includes a focus on retiring copper connections and assets, simplifying our business to become an "all fibre business". In parallel, we continue to identify opportunities for fibre expansion.

	FY26	FY25
Total copper connections remaining	44,000	92,000
Direct copper operating expenditure	$31m	$45m
Copper reactive fault expenditure	$12m	$19m
Legacy metal network recycled (tonnes)	817	1,090

Total copper connections reduced by more than half, year on year. The copper-to-fibre transition is now largely complete across New Zealand's fibre footprint, with fewer than 1,000 copper connections remaining to migrate to fibre across both Chorus' and the other local fibre companies' networks. Approximately 43,000 copper connections were outside the existing specified fibre area footprint at year end. Given the pace of decline, we announced during the year that we would bring forward the date of the copper network retirement to the end of 2028 from 2030 as previously signalled.

The change reflects reduced demand for copper services as customers and retail service providers continue to move to more modern broadband technologies, like fibre, fixed wireless and satellite.

Maintaining a nationwide legacy network being used by approximately 2.5 per cent of households when there are more cost-effective, modern alternatives is no longer efficient. Bringing forward the timeline provides retailers and customers certainty, including for those still using copper, so they can prepare in an orderly and structured way.

Over the next two years, Chorus will continue to work closely with retail service providers on coordinated transition plans. This includes working with alternative service providers, supporting vulnerable users and providing information so that all affected customers are aware of the alternative technologies available.

Chorus has already successfully supported hundreds of thousands of consumers onto new technologies, including in some of New Zealand's most remote areas. Those transitions have proceeded smoothly, giving us confidence in an efficient and dependable nationwide process over the coming years. Our focus now is to ensure remaining copper customers are transitioned in a planned and coordinated way, with support and information available for customers as they shift to modern telecommunications services. More detail on this approach is outlined on page 31.

As customers exit the copper network, we continue to decommission redundant equipment and power down sites where appropriate. This supports a simpler, more efficient network, with the progressive retirement of copper assets contributing to lower electricity use and reduced maintenance costs. Electricity consumption was 7% lower than FY25.

Meanwhile our copper recycling initiative has transitioned from a successful trial to a fully operational programme. Activity started ramping up in the second half of the year and delivered $4 million to EBITDA for the FY26 year.

Based on current copper prices and transactions completed to date, we now expect cumulative net copper recovery proceeds of $50 million to $70 million from inception in FY25 to conclusion in 2030, compared with previous expectations of $30 million to $50 million. The revised range reflects the stronger copper price environment and our experience from the programme to date. Future proceeds will continue to depend on commodity prices and the timing of copper becoming available for recovery.

Taking fibre further

In FY26, Chorus completed its Fibre Frontier build programme. The completed programme saw fibre rolled out to 59 communities and passed around 9,000 premises. Less than a year after the completion of the programme, we've seen around half of these premises passed have connected to fibre meaning over 10,000 additional New Zealanders are now accessing future-proofed fibre broadband. Our launch of the Community Co-Funded Programme has helped identify smaller pockets of economical fibre build for Chorus to complete. We are actively engaging with over 50 smaller communities and have around 1,300 premises at various stages of build. Over 200 of these premises are already connected to a fibre service. Chorus contributes $3,500 per premise, supporting communities outside the current fibre footprint to co-invest in their connectivity. This model provides a practical and community-focused pathway to extend fibre access where viable.

PIONEER

Mount Prospect tower

On scaling fibre expansion, Chorus has proposed extending the current fibre footprint to reach 95% of the population. The Infrastructure Commission has identified this as a significant opportunity, although it has not yet received government funding. Chorus continues to advocate for a co-ordinated government rural connectivity strategy. While current Crown fiscal constraints make public funding for investment of this scale challenging, Chorus remains well placed to support any future expansion if the opportunity progresses.

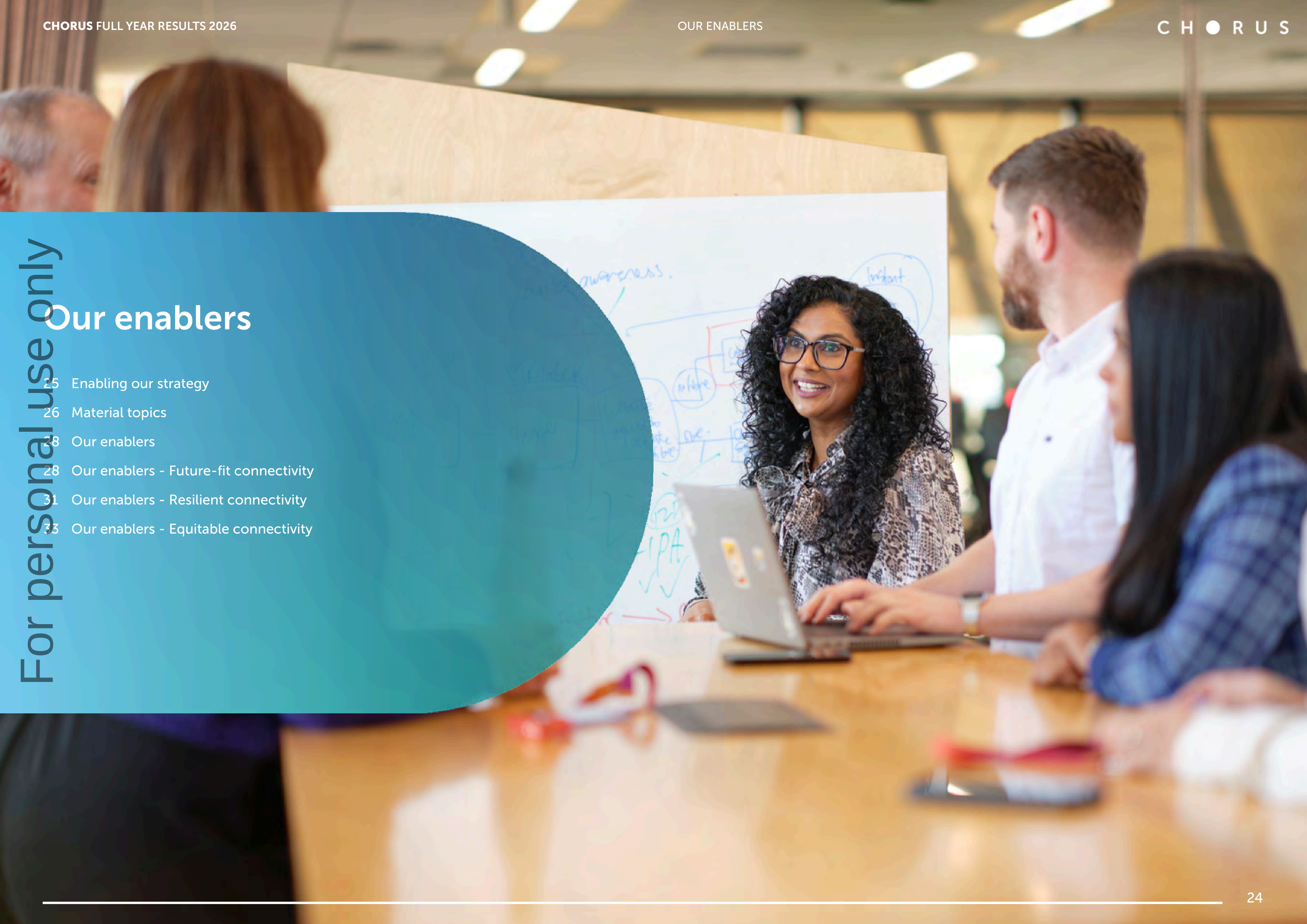
In the meantime, Chorus' focus is on brownfield & infill opportunities as highlighted in our LEAD pillar earlier.

Property portfolio optimisation

Chorus has established a programme to determine and implement the property footprint required to support a nationwide all-fibre network. Our property portfolio reflects a large, diverse and complex asset base, with many sites and assets originally designed for a legacy copper network that is being retired.

As part of this work, we are assessing our site requirements and network functionality to identify the most efficient long-term footprint for the future network. This includes consolidating network functions where appropriate and reducing reliance on high-cost or inefficient sites, while maintaining the resilience, coverage and performance required to support New Zealand's fibre infrastructure.

Where opportunities arise, we may also explore the disposal, subdivision or repurposing of surplus property assets. However, the primary objective is to establish a right-sized property footprint aligned with future network needs and a sustainable long-term operating model. Over time, we expect this to support greater operational efficiency and help offset cost pressures, while ensuring strategically important sites continue to support the performance and resilience of the fibre network and other adjacent opportunities. We are currently testing market interest in a portfolio of non-core remote sites that primarily support legacy radio and copper networks.



Our enablers

Enabling our strategy

Our sustainability strategy supports Chorus' wider corporate strategy by focusing on the relationships and resources we rely on to deliver long-term value: our Environment, Communities, Customers & Partners and People (the Chorus ecosystem).

Our strategy is anchored in Chorus' purpose – ***Unleashing potential through connectivity. Enabling better futures for Aotearoa.***

In FY26 we refreshed our strategy with a view to ensuring our sustainability efforts are focused where we believe we can have the greatest impact and fulfil our role as a critical provider of connectivity for Aotearoa New Zealand. Through this we have introduced three interconnected purpose-led focus areas:

Resilient Connectivity:
Our ecosystem is ready to withstand future challenges and adapt to change.

Equitable Connectivity:
Our ecosystem works together to drive fairer access to the benefits of connectivity.

Future-fit Connectivity:
Our ecosystem reflects a changing population, with the skills and mindsets to meet tomorrow's needs.

These focus areas are grounded in materiality (see page 26), bringing together what matters most to Chorus and our ecosystem.

This refresh represents an evolution rather than a fundamental change in approach. The Chorus ecosystem remains unchanged, as do the long-term aspirations we have set, with the exception of **Thriving People.** We have made some adjustments to this aspiration, to better reflect our focus on 'Future-fit', and broader efforts of the organisation in relation to our people.

We report our progress against material climate-related targets under Aotearoa's mandatory climate-related disclosures (CRD) regime in our FY26 Climate Statements. The following section is designed to provide a snapshot of our broader sustainability progress, and should be read in tandem with the Climate Statements. Please refer to our FY26 Climate Statements.

Our material topics

Identifying, understanding and reporting on our material topics helps us stay focused on the key drivers of long-term value. As part of this, we consider the topics that matter most to our ecosystem (Environment, Communities, Customers & Partners and People).

We re-assess our material topics annually through the annual reporting process, drawing on both qualitative and quantitative factors (including stakeholder perspectives, insights and data, risk assessments, regulatory developments and targeted internal and external pulse checks when needed).

STAKEHOLDER ENGAGEMENT IN FY26

Our stakeholder engagement helps us understand the issues, expectations and opportunities that matter most to our ecosystem, with engagement programmes designed to be proactive, transparent and tailored to the needs of diverse groups.

For example, FY26 engagement included:

- **Retail Service Partners:** Direct in-person connection sessions, product education updates, Networking Evening and Chorus Golf Classic events. Combined, these aim to help strengthen relationships, share feedback and align delivery priorities.
- **Central and local government:** Formal participation in consultations and policy discussions combined with direct engagement with key members of central and local government (including the Prime Minister, Ministers, MPs, mayors, elected local members, councils, government agencies and officials). These interactions aim to build understanding of New Zealand's connectivity landscape, inform policy development and support the delivery of positive outcomes.
- **Industry groups and associations:** Participation in sector working groups (e.g. Telecommunications Forum), engagement with advocacy groups (e.g. Digital Equity Coalition Aotearoa, Federated Farmers, Rural Women New Zealand), and representation at industry events (e.g. Tech Users NZ). These aim to build understanding of key initiatives, support sector alignment and surface stakeholder perspectives on areas of shared interest.

Other examples are covered in the ‘Our Enablers’ section from page 28.

The engagement themes outlined below provide a practical view of what we understand mattered most to different stakeholder groups over the period, and how those themes connect back to our ecosystem.

STAKEHOLDER GROUP	ECOSYSTEM TOUCH POINTS	FY26 ENGAGEMENT THEMES
Media	Environment Communities Customers & Partners	Network resilience, weather events, rural connectivity.
Grassroots community	Environment Communities	Digital inclusion, rural connectivity, copper retirement, network resilience.
Industry groups and associations	Environment Customers & partners	Infrastructure resilience, regulatory and policy settings, competition.
Not-for-profits and social agencies	Communities	Digital inclusion, cost of living, policy settings.
Suppliers	Customers & partners People	Revenue, safety, worker welfare, ethical supply chain, delivery performance, environmental performance and weather-related events.
Investors	Customers & partners	Long-term value creation, governance, risk management.
Consumers	Customers & partners	Affordability, network reliability, service experience.
Retail service partners	Customers & partners	Network reliability, service experience, network capability.
Government & regulators	Customers & partners	Regulatory settings, resilience, competition, rural connectivity.
Chorus employees	People	Health, safety and wellbeing, DE&I, capability and change.

Our material topics (continued)

WHAT THIS MEANS FOR OUR MATERIAL TOPICS

The FY26 engagement confirmed that our material topics remain largely consistent with our current list of material topics, and are unchanged from last year.

STAKEHOLDER INFORMED PRIORITY RANKING (HIGHER to LOWER)

MATERIAL TOPIC	HOW CHORUS IS ADDRESSING THIS
Network reliability	Resilient connectivity – pg 31
Network resilience	Resilient connectivity – pg 31
Digital inclusion/equity	Equitable connectivity – pg 33
Health & safety – employees & contractors	Future-fit connectivity – pg 28 Risk management – pg 101
Regulatory compliance	Risk management – pg 101
Community engagement & social licence to operate	Stakeholder engagement – pg 26 Equitable connectivity – pg 33
Cybersecurity & data governance	Risk management – pg 101
Sustainable supply chain practices	Ethical standards – pg 88
Risk management & resilience planning	Resilient connectivity – pg 31 Risk management – pg 101
Board diversity & independence	Our Board – pg 78
Diversity, equity and inclusion (DE&I)	Future-fit connectivity – pg 28
Ethical business practices	Ethical standards – pg 88
Employee engagement & development	Future-fit connectivity – pg 28

In FY27, we plan to complete a more comprehensive materiality assessment, taking a comprehensive view across Chorus and our ecosystem. This will bring together broad stakeholder input, business insight, risk analysis and external trends to support the next stage of our strategy and reporting.

The previous full external-led assessment was undertaken in 2022 and refreshed each year with targeted internal and external stakeholder pulse checks.

Our enablers

FUTURE-FIT CONNECTIVITY

Our workforce has the skills and mindsets to meet tomorrow's needs. Creating future-fit connectivity means building the capability, culture and care needed for Chorus and the people who work across our network to adapt as the nature of work, technology and our operating environment continue to change.

Health & Safety

	FY26	FY25	Notes
LOST TIME INJURY FREQUENCY RATE (LTIFR)	1.23	0.99	**NOTES:** INDUSTRY BENCHMARK = 9.25. Chorus' LTIFR increased by 0.24 year on year, with lost time injuries unchanged but fewer hours worked.
TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)	2.16	0.99	**NOTES:** INDUSTRY BENCHMARK = 17.9. Chorus' TRIFR increased by 1.17 year on year, with medical treatment injuries increasing and fewer hours worked. There was no increase in significant harm.
NUMBER OF SAFETY INSPECTIONS	16,330	12,810	**NOTES:** FY26: 1,640 (Chorus); 14,690 (service companies). FY25: 3,268 (Chorus); 9,542 (service companies). Increased safety inspections reflect increased focus on supply chain assurance and critical risk assurance.

Diversity, Equity & Inclusion

DIVERSITY, EQUITY & INCLUSION TARGET:

TOP 10% OF TECHNOLOGY INDUSTRY BENCHMARK

	FY26	FY26	FY26
Overall		eNPS +56	8.4/10
Diversity	TOP 10%	eNPS +62	8.7/10
Inclusion	TOP 10%	eNPS +63	8.6/10
Non-discriminatory	TOP 25%	eNPS +68	8.7/10

NOTES:
Chorus is within the top 10% of the technology industry benchmark for eNPS and top 25% for engagement score in FY26. Chorus engagement survey data is provided by Peakon who provide a technology sector benchmark for comparison. Achieving a score within the top 10% of the benchmark is considered best in class.

Strengthening our people, culture and connections

Chorus continues to focus on ensuring we have a diverse, equitable and inclusive workplace and we are working towards embedding these principles in our organisational infrastructure.

Gender pay equity remained a key area of focus for Chorus over the period, following a new Gender Equity Plan established in FY25 to identify, address and mitigate any inequities. For more information on our progress in this area in FY26, see the 'Remuneration and performance' section of this report at page 92.

In partnership with Maurea Consulting, we also embarked on a journey at the start of this year to develop a Te Ao Māori strategy for Chorus. The work assessed our current cultural capability and identified opportunities to embed Te Ao Māori principles across our business, particularly in how we engage with customers, suppliers, partners and future commercial opportunities. Development of the strategy included engagement with Māori organisations, partners and our Te Raranga Tangata employee network through a series of wānanga.

Our **Te Ao Māori strategy** takes its name from a whakatauākī gifted by Maurea Consulting: *"Hora te muka, ka whānui te pae", meaning "spread the fibre, and the horizon widens."*

It is built around the following four pillars:

- **IMPROVE** Māori cultural competency and usage
- **ATTRACT, RETAIN & PATHWAY** Māori in leadership
- **GROW PARTNERSHIPS** with Iwi and Māori
- **GROW PARTICIPATION** in the Māori economy

Our Te Ao Māori strategy is supported by a roadmap extending from FY26 to FY33. The next step will be implementation, embedding the strategy across Chorus and accelerating progress towards long-term cultural, social and business outcomes.

Our enablers (continued)

Meanwhile, employee participation in Rainbow volunteering increased to 28% over the period and engagement scores for LGBTQIA+ employees now rank in the top 25% of the tech industry benchmark. We were awarded the Pride Pledge certification over the FY26-FY28 period, becoming the third organisation in Aotearoa to do so, as well as being listed as a finalist in the "Pride Progress" category at the Rainbow Excellence Awards.

Chorus also achieved the highest possible "Advanced" rating across all seven competencies in Te Uru Tāngata Centre for Workplace Inclusion's Aotearoa Inclusivity Matrix (AiM). We also received a Highly Commended award in the Workplace Inclusion category at the Diversity Works Awards. Our focus on gender equity was further acknowledged through a "Leading" rating in the Gender Tick programme, the highest level awarded, with Chorus becoming only the second organisation in New Zealand to achieve this recognition.

In the year ahead, we intend to maintain momentum in gender equity initiatives, progress our Accessibility Tick action plan and embed Talent and Te Ao Māori strategy initiatives.

New digs in Christchurch

During the year, we completed our new purpose-built Christchurch office at 211 High Street, replacing our Moorhouse Avenue site. The new workplace has been designed from the ground up with Chorus culture and team in mind. It will support modern ways of working, with a mix of collaboration and focus spaces, wellbeing and inclusion facilities and flexible environments that reflect how our people work today.

The building also reflects our sustainability ambitions. Constructed using a mass timber and steel hybrid design, it has achieved a 6 Green Star Design & As Built certification, the highest rating awarded by the New Zealand Green Building Council, recognising world-leading performance across energy, water, materials, emissions and indoor environmental quality. Chorus is also targeting a 5-Star NABERSNZ rating once a full year of operational performance data is available.

Located in the heart of Christchurch CBD, Chorus' goal for the new office is to strengthen collaboration, support employee wellbeing and reinforce Chorus' long-term commitment to the city and wider Canterbury region. The Christchurch-based team moved in following year end, in July 2026.

Our enablers (continued)

Protecting worker welfare

Chorus' supply chains span the globe, with the majority of our procurement occurring in New Zealand. We source a range of goods and services from New Zealand and international suppliers, including partners headquartered in Australia, Europe, North America and Asia, many of which also maintain a presence in New Zealand.

During procurement and contracting activities, we manage modern slavery and worker welfare risks through our Supplier Code of Practice. The Code of Practice establishes our expectations regarding fair treatment of workers and includes processes for remediation of non-compliance or for termination in cases of significant or repeated breaches. Our approach is to make worker welfare an everyday part of business. Key tools for doing so include Chorus' online portal, an independent whistle-blower process and our Ethical Voice survey for technicians.

The Ethical Voice survey is conducted twice every year to gather direct feedback from workers and identify opportunities for continuous improvement. The latest survey in FY26 achieved a strong participation rate of 51%, up from 34% previously, with 361 comments received.

Feedback highlighted several positive outcomes, including strong confidence that workers are aware of their employment entitlements, have access to the right equipment to perform their jobs safely and regularly receive feedback on work quality. Most respondents also reported feeling comfortable raising concerns and demonstrated awareness of available worker welfare support channels. Respondents also reported areas of improvement including oversight on unpaid leave practices, strengthening speak-up culture, and increasing awareness of Worker Welfare reporting channels, and these areas will be addressed in FY27. These results reinforce the positive impact of the Worker Welfare Programme and Chorus' ongoing commitment to ensure every technician gets treated fairly.

We have a dedicated worker welfare programme that oversees Chorus' contractors and subcontractors working on our network, as well as a cross-business governance team that oversees potential mistreatment investigations and the service companies' worker welfare programmes. We are committed to maintaining high standards across our supplier network and treat all complaints seriously. Where necessary, we take corrective action, including removing companies from our network after investigating complaints. In FY26, three companies were removed from work on the Chorus network, compared with eleven in FY25. The observed year on year reduction in companies removed aligns to programme maturity and changes in the broader work environment for FY26.

An independent review by Martin Jenkins in FY26 confirmed that Chorus' Worker Welfare Programme is mature and aligned with leading practice, recognising strong leadership, governance, worker protections and monitoring processes. The review highlighted the significant progress made since issues involving the mistreatment of migrant workers in our subcontracted field workforce were identified in FY19 and affirmed that Chorus has a strong foundation to effectively identify and address worker welfare risks, while continuing to evolve its approach to meet emerging challenges.

Health, Safety & Wellbeing at Chorus

Technician preparing network connections inside a fibre distribution point

Health, safety and wellbeing at Chorus is mature and embedded across people and assets. Through industry forums and strategic engagement, we work with telecommunications stakeholders to help raise health and safety standards across the sector.

Our approach combines the monitoring of safety maturity, engagement and behaviours, using benchmarked practices to understand whether our health and safety framework is effective and where improvements can be made. This helps ensure safety remains a central pillar of our operational sustainability. During FY26, external assurance and recertification to Tōtika, a cross-industry health and safety pre-qualification standard, improved from 88% to 96%. There were seven recordable injuries across the year and all were of minor severity.

Chorus and its partners completed more than 16,000 in-field assurance checks across the network, which is an average of about 70 checks per working day. These checks help verify that trained personnel and appropriate tools were used, with an emphasis on critical controls and knowledge.

In FY27, we will continue to drive a safe and resilient Chorus. Key areas of focus include continuing to strengthen critical control management and assurance, mitigating broader asset and people Health & Safety risks as we transition to a fibre-only business, and support a sustainable long-term field operating model that puts our field workers at the centre. A switched-on, people-centred, critical control-driven mindset is our future strength.

Our enablers (continued)

RESILIENT CONNECTIVITY

As New Zealand's major digital infrastructure provider, Chorus plays a critical role in helping communities, businesses and public services stay connected. We aim to create resilient connectivity so our network can withstand disruption, adapt to changing conditions and continue to support New Zealand's growing reliance on digital services.

Verified SBTi target

Target	FY26	FY25
Reduce absolute scope 1 & 2 emissions by 62% by FY30 against FY20 base year (10,536 tCO2e).	5,998 tCO2e	7,877 tCO2e
Scope 3 engagement goal: 70% of our suppliers by spend to have a science-based target by FY29.	55% TOP SUPPLIERS	43% TOP SUPPLIERS

NOTES: Supporting initiatives included proactive air-conditioning maintenance, which helped reduce refrigerant leaks (Scope 1) and reduced electricity consumption (Scope 2). The Ministry for the Environment's 2026 electricity emissions factor also contributed to reduced emissions over the period. For more details refer to page 32 and the FY26 Climate Statements.

NOTES: Supported by continued engagement with top suppliers to ensure plans are in place for SBTi validated targets and reporting. For more details refer to the FY26 Climate Statements.

Climate target

Target	FY26	FY25
Reduce electricity use by 25% against FY20 base year (80.4 GWh) by 2030. Interim milestone of 6-9% reduction in FY26 against FY25.	66.7 GWh	71.5 GWh
Vehicle fleet reduction goal 100% plug-in electric or hybrid fleet by end of FY28.	92%	56%

NOTES: Climate targets supported by a range of initiatives and dependencies including progress on copper retirement and legacy equipment removal, renewable generation from the national grid continuing to improve, and major suppliers providing accurate data and meeting their contractual obligations to Chorus. For more details on the key assumptions, dependencies and potential barriers that may impact Chorus' progress towards delivering its climate goals and supporting initiatives refer to our FY26 Climate Statements

NOTES: In FY26 we replaced 13 diesel vehicles with hybrid alternatives. For more details refer to the FY26 Climate Statements.

Network reliability

Measure	CY2025	CY2024
Fibre faults* per 100 connections layer 1	2.84	2.93
Fibre faults* per 100 connections layer 2	1.24	1.20

NOTES: Network monitored 24/7 and disaster response plans in place to help maintain or restore services in an emergency. Fibre performance measures provided are reported to the Commerce Commission, as part of Chorus' information disclosures. They contain network availability in 23 geographic regions based on downtime in the Layer 1 (physical) and Layer 2 (electronic) parts of the network.

* Excludes force majeure events.

Enabling copper retirement through transparent engagement

We continued to make substantial progress in retiring our legacy copper network over the period as covered on page 22.

Our ability to transition customers off copper and onto more modern, reliable forms of connectivity rests on our social license. To enable this, we continued to focus on strengthening relationships in regional communities – including with local Government and community leaders – and ensuring customers remained well informed throughout the process.

As part of this, we met with 27 of the 32 new mayors across New Zealand following the 2025 local government elections. We also attended a number of council meetings in person to provide updates on connectivity in local areas and run education sessions for new and returning elected members.

We continued to deliver community events across the country to raise awareness of the retirement of the copper network, understand local connectivity barriers, and explore digital skills needs. In addition, we attended major regional events such as Fieldays and various A&P shows. This has helped provide people with easy access to information about our activities to build out fibre further and the retirement of the copper network.

In-person engagement has also been supported by a suite of education-focused content designed to help consumers prepare for copper retirement. This included advertising and content across a range of print, search and digital channels, with a specific focus on rural audiences and regions most likely to be impacted by copper retirement.

Navigating severe weather events with resilience

New Zealand is facing increasing risks from severe weather events and natural climate hazards. Telecommunications remains a vital utility in severe weather events, and ensuring our network is resilient is an essential part of building confidence with New Zealanders.

We continued targeted resilience programmes across vulnerable parts of the network, including investment in infrastructure designed to improve service continuity and recovery following weather-related disruptions. This includes resilience enhancements in regions exposed to heightened natural hazard risks, helping strengthen connectivity for communities that rely on our network.

Two projects over FY26 included a new fibre link in Te Atatu, and the completion of the West Coast fibre ring, both of which make our network more resilient and lower the risk of outages caused by fibre damages.

The Commerce Commission approved our plans to invest $82.5 million over our current regulatory period to increase the resilience of our services. This includes providing dual paths for our connections to more communities, and improving earthquake strengthening for our buildings.

Our enablers (continued)

Understanding our climate risk

Insights from climate risk assessments and external climate forecasting are beginning to inform our asset planning and infrastructure investment decisions.

We consider that asset exposure remains the best proxy measure for assessing Chorus' climate vulnerability to physical risk at this time.

In FY26, we engaged Aon to update its 2023 assessment of Chorus' fibre assets' exposure to physical climate hazards, which formed the basis for our physical risk exposure in FY24 and FY25. This work included updated scenarios and data mapping and an expanded scope of hazards, to capture wind, temperature and landslides.

This updated assessment has not resulted in any material increase in exposure compared to Aon's previous assessment. While additional hazards were included in the FY26 updated assessment, the analysis also supported our existing internal view of network exposure from direct climate hazards.

We intend to use Aon's latest exposure assessment of fibre assets to continue to build on our internal modelling, applying a more focused 'climate lens' to relevant site-level exposure data over time. This helps ensure that physical climate risk exposure is considered when assessing site condition, prioritising investment decisions, and planning future works.

We expect climate-related risks and weather volatility to remain significant considerations for us as an infrastructure operator. Chorus plans to continue integrating climate resilience into network planning, renewal programmes and investment decisions to help ensure reliable connectivity for future generations.

Improving energy efficiency and reducing emissions

Chorus electric vehicle on the road

In FY26, we continued to improve energy efficiency and reduce emissions through practical initiatives across our network, fleet and property portfolio. This included progressing copper retirement and legacy equipment removal (see pages 22 and 31), converting exchange sites to higher cooling set points and replacing more diesel vehicles with hybrid alternatives (with a further 13 fleet vehicles converted to either plug-in hybrid or hybrid vehicles over the period).

These actions helped reduce electricity use by 6.7% against FY25 and 17% against FY20. Scope 1 and 2 emissions reduced to 5,998 tCO_2e, a 43% reduction from Chorus' FY20 base year – noting this reflects both lower electricity consumption and the impact of a lower national electricity emissions factor.

Looking ahead, we will continue to focus our efforts on those initiatives where we can materially advance our electricity and emissions goals. More detail on our emissions performance, targets, transition planning and climate-related risks and opportunities is available in our FY26 Climate Statements.

Our enablers (continued)

EQUITABLE CONNECTIVITY

As New Zealand's largest wholesale telecommunications infrastructure provider, Chorus has a role in helping more people access the opportunities connectivity enables. Supporting equitable connectivity is underpinned through our dedicated programme, Whiria Te Aka Matihiko, which brings together the people, tools, product and support needed to address some of the barriers that prevent people from participating in the digital world.

	FY26	FY25	Notes
DIGITAL EQUITY CONNECTIONS	3,055 digital equity connections		NOTES: (1,004 Equity Fibre 100 connections & 2,051 former Ministry of Education connections).
SENIORS SUPPORTED	5,313	3,984	NOTES: 1,107 Digital Seniors hubs run across North and East Auckland, Wairarapa and Kāpiti.
ELIGIBLE LAPTOPS DONATED TO RECYCLE A DEVICE (RAD)	82 Laptops donated	108 Laptops donated	NOTES: 100% of all eligible Chorus laptops.
DIGITAL INCLUSION CHARITABLE PARTNERSHIP DONATIONS	$505k	$253k	NOTES: Charitable donations increased in FY26 primarily due to the timing of payments between reporting periods. Around $250k of giving allocated to the FY25 programme was paid and recognised in FY24, reducing reported donations in FY25. On a comparable basis, FY26 charitable giving was broadly consistent with FY25 investment levels.
VOLUNTEER LEAVE UTILISED BY STAFF	36%	38%	

"Internet access has quietly become a prerequisite for opportunity. From job applications to homework to healthcare, the offline gap shapes life outcomes in ways that don't get enough attention. I welcome the efforts Chorus is making to tackle affordability, a practical step in the right direction."

Digital Equity Coalition's Kaupapa Lead Bronwyn Scott

Improving connectivity with low-cost fibre

In FY26, we synthesised the learnings of our Digital Equity product proof-of-concept trial to better understand what would help underserved households access an affordable fibre product. Key findings included:

- **Affordability:** $30/month emerged as the most manageable price point, with 97% of users choosing it over a slightly cheaper, lower-speed alternative.
- **Eligibility:** simple, inclusive criteria worked best, with trusted community partners playing a key role in validating eligibility.
- **Delivery:** solution needed to be simple, trusted and delivered through people and organisations already known to the communities it was designed to support.

These insights have shaped our wholesale Equity Fibre 100 product, which we launched in March 2026.

The product provides affordable connectivity through a retail price cap of $30 a month and delivers fibre broadband at 100/20 Mbps. Eligible households include those with inactive fibre addresses who can provide evidence of financial need, such as a Community Services Card or MSD documentation, and either live in public, social or community housing, or have a child attending an Equity Index school of 490 or higher.

The proof-of-concept also influenced how we took the product to market. We worked alongside trusted community organisations, schools, housing providers and local advocates and influencers to raise awareness and connect eligible households with the programme. Community information packs, translated resources and targeted communications have been developed to help ensure information reaches the right audiences in accessible ways.

An Equity Fibre website was developed to make it easier for people to check whether their address is eligible and to see if their child's school qualifies for the offer. However, feedback from communities highlighted that navigating the eligibility process can be a roadblock. These learnings are helping to inform improvements to the customer experience.

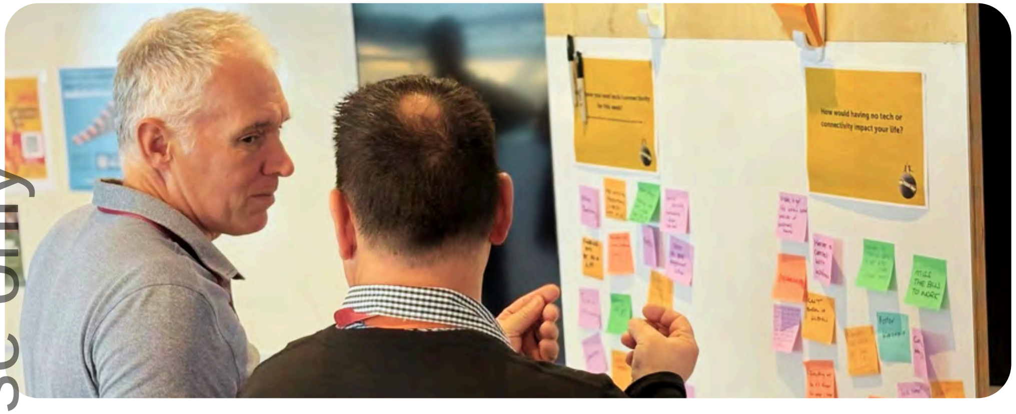
Since launch, more than 1,000 customers are benefitting from Equity Fibre 100. While this is an encouraging start, we see significant opportunity to expand reach and connect more eligible households. Six retail providers have signed on to offer products based on Equity Fibre 100, and we continue to work to bring on additional retailers to broaden access and awareness.

Looking ahead, our focus is on building sustainable uptake by expanding retail and community participation, continuing targeted outreach through trusted partners, and learning from early adoption to improve the model over time. This will include working with community partners to make it easier to onboard new customers.

Equity Fibre 100 is not a one-off campaign; it is part of our broader Whiria Te Aka Matihiko (our Digital Equity Support Fund) programme and our long-term commitment to equitable connectivity across Aotearoa. Other elements of our activity over the period are captured in the following sections.

Our enablers (continued)

Extending impact through trusted community partnerships



No Tech Day morning tea at Chorus, with our charitable partner the Digital Equity Coalition Aotearoa (DECA)

Being able to afford connectivity is only one part of digital inclusion. People also need trusted support, relevant information and the confidence to engage online. By working alongside local partners, Chorus aims to help more people realise the benefits of digital connectivity.

In FY26, we funded Digital Navigator initiatives in Rotorua, Porirua and Manurewa. Working within their communities, Digital Navigators are locals who help people understand their connectivity options, access Equity Fibre 100 and overcome practical barriers to getting online.

As an example, in Rotorua, our local digital navigators have created Whānau Fibre, a community-led approach to raising awareness that feels relevant and authentic for the people they work alongside. By working through trusted local relationships and familiar community spaces, they're helping ensure the message reaches people in ways that resonate. The model offers opportunities to scale and provides support through people who already have established relationships within their communities.

Through organisations such as the Digital Equity Coalition Aotearoa (DECA) and Katoa Connect, we also contribute to sector-wide efforts to better understand and address the digital divide.

We continued to support digital capability and online safety through partnerships with Netsafe and Digital Seniors over the period. Together, these programmes help people build confidence online, stay safe from scams and access digital tools and services. Chorus employees also contribute through volunteering at Digital Seniors workshops, helping older New Zealanders build digital skills and stay connected to their communities.

Looking ahead, we plan to continue working with community organisations, industry partners and advocacy groups to improve digital inclusion outcomes and help build a more connected, capable and digitally inclusive Aotearoa New Zealand.

Removing other barriers to digital participation

At the opening of DigiFest, local charity working to reduce digital exclusion across the Manawatū, supported by Chorus through the Whiria te Aka Matihiko Fund

Connectivity is only valuable if people have access to suitable devices. For many households, particularly those on lower incomes, the cost of purchasing a laptop or computer remains a significant obstacle.

To help address this challenge, we continued to support Recycle A Device (RAD) over the period, a charitable initiative that extends the life of used laptops while providing hands-on learning for students and communities. As part of this, we donated 82 Chorus laptops to be redistributed to those in need.

Through RAD, donated devices are refurbished by student-led clubs and volunteer networks before being distributed to schools, community organisations and families. This approach delivers a dual benefit: reducing electronic waste while increasing access to technology for those who may otherwise go without.

During the year, Chorus also continued to provide funding through our Whiria Te Aka Matihiko Fund (our Digital Equity Support Fund), which offers grants of up to $10,000 for community-led initiatives that align with our goal of reducing digital divide barriers. The fund is designed to support grassroots initiatives developed by organisations that understand the needs of their communities and are well placed to create meaningful local impact.

We are currently supporting 10 fund recipients whose work addresses different aspects of digital inclusion, from improving access to connectivity and devices through to building digital capability and confidence. These partnerships allow us to support innovative, community-driven approaches while learning from organisations working directly alongside those most affected by digital exclusion.

Our enablers (continued)

Piki Kouras - Our first Whiria Te Aka Matihiko Fund recipient

Our first Whiria Te Aka Matihiko Fund recipient is Keziah Smith, a kaiako at Whangamarino School.

She leads a learning programme called Piki Kouras which brings together three kura (schools) from the Te Arawa Lakes district.

Keziah applied for the fund as she saw an opportunity to expand access to robotics and coding education for local tamariki, helping them connect culture, creativity, storytelling and technology.

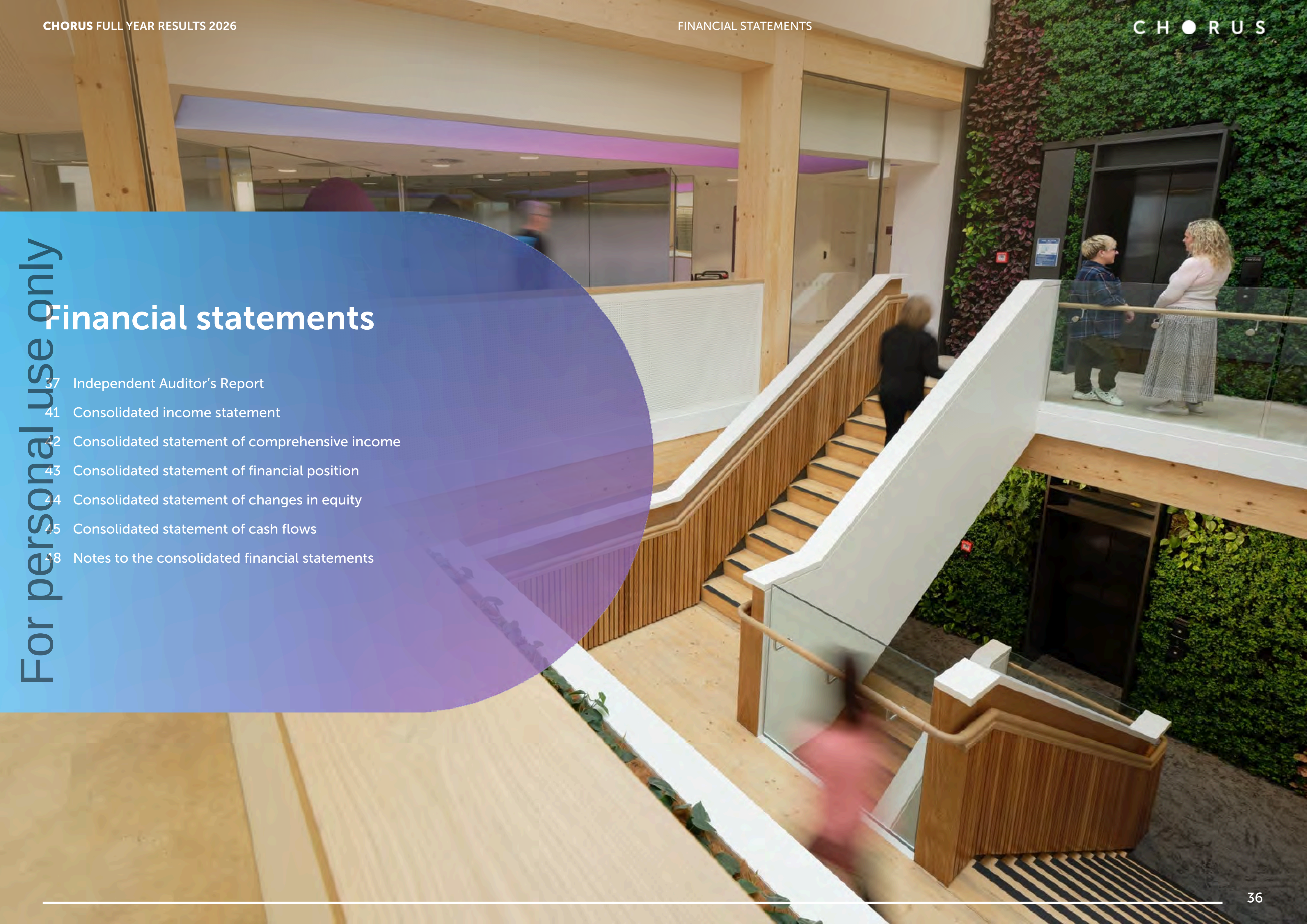
Chorus provided funds to help bring the programme to life and help equip students with the technology and resources needed to participate. We also had the privilege of attending the inaugural competition, where we joined the judging panel to see first-hand the creativity, teamwork and innovation on display. The winning students were awarded a unique experience, including a visit to the Chorus Fibre Lab and MOTAT.

Building on the success of the first event, the three kura came together again for a second robotics competition, with the kaupapa centred around wai (water), rangi (sky) and the whenua (ground). Students used a range of robotic technologies to complete challenges, applying coding skills while exploring issues relevant to their local environment.

Piki Kouras demonstrates the power of community-led initiatives to build digital confidence and capability in ways that are meaningful and relevant to Māori communities. By combining technology with culture, creativity and hands-on learning, the programme is helping inspire the next generation of digital innovators, helping Chorus in our mission to enable better futures for New Zealand.

Looking ahead

New Zealand's digital divide is a complex challenge that cannot be solved by addressing one challenge alone. While there is still more work to do, we are encouraged by the momentum created through our wholesale product, our partnerships and the positive impact being delivered through the community.



Financial statements

Independent Auditor's Report

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 2026;
- 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 41 to 76 present fairly in all material respects:
  - the Group's financial position as at 30 June 2026 and its financial performance and cash flows for the year ended on that date;
  - 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.

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 trustee supervisor reporting services. 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.

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 $10.5 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.

Independent Auditor's Report (continued)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Capitalisation and carrying value of software and internally generated assets	
Refer to Note 1 and 2 to the Financial Statements. The capitalisation and carrying value of software and internally generated assets is a key audit matter due to the significance of these assets to the Group's consolidated statement of financial position and the level of judgement involved in determining whether costs meet the criteria for capitalisation. The area of greatest focus relates to software, capitalised labour and other internally generated intangible assets. Key judgements include: • Determining whether costs associated with IT software development, digital transformation initiatives and related employee labour costs meet the requirements for capitalisation, or should instead be expensed as incurred; • Assessing the allocation of employee time and other direct costs to capital projects, including the appropriateness of methodologies used to capitalise internal labour; • Estimating the useful lives of capitalised software and other internally generated assets, taking into account the pace of technological change and expected patterns of consumption of economic benefits; and • Assessing indicators of impairment or obsolescence, particularly in light of evolving technology platforms, changing business requirements and the risk that software solutions may be superseded before the end of their expected useful lives. These judgements have a direct impact on the amount of expenditure capitalised, the carrying value of assets recognised, and the timing of expense recognition in the consolidated financial statements. Accordingly, we considered this to be a key audit matter.	Our audit procedures included: • Evaluating the design and implementation of key controls over the capitalisation process, including controls relating to the approval of IT software development projects, the capture and allocation of employee time to capital projects, and management's review of asset useful lives. • Testing, on a sample basis, costs capitalised to internally generated software and other internally generated assets, to assess whether they met the Group's accounting policy and the capitalisation criteria of the applicable accounting standards, including consideration of the nature and stage of the underlying projects. • Assessing, on a sample basis, whether internal projects meet the criteria for capitalisation. • Testing capitalised labour costs by examining supporting records for a sample of employees, including timesheets, payroll records and project allocations, to assess whether labour costs capitalised were directly attributable to the creation or enhancement of qualifying assets and were appropriately measured. • Assessing the reasonableness of labour rates used in determining capitalised employee costs by comparing these rates to underlying payroll records and employee contractual arrangements. • Performing data analytical procedures over capitalised software development costs, capitalised labour and other internally generated assets to identify unusual trends, significant movements or unexpected capitalisation rates requiring further investigation. • Assessing the useful lives assigned to capitalised software and other internally generated assets by comparing them to historical experience, industry practice and our understanding of anticipated technological change and asset replacement cycles. • Evaluating whether there were indicators of impairment or technological obsolescence for significant internally generated software and other capitalised assets and, where indicators were identified, assessing management's conclusions regarding recoverability.
Revaluation of Network Assets	

Refer to Note 1 of the financial statements.
 	
At year-end the Group adopted a change in accounting policy whereby Network Assets are measured at fair value from 30 June 2026.
 	
As a result, the Group recognised Network Assets at a fair value of $5,581 million at 30 June 2026 (30 June 2025: carrying value at cost of $4,635 million).
 	
The revaluation of Network Assets is a key audit matter due to the significance of these assets to the Group's consolidated statement of financial position and because this is the first year in which the assets have been measured using a fair value model.
 	
Determining the fair value of the Network Assets required significant judgement and estimation, including the selection of an appropriate valuation methodology and the determination of key assumptions used in the valuation model.
 	
The fair value was determined using a discounted cash flow approach, which estimates the present value of the future cash flows expected to be generated by the existing network asset base. The assumptions with the greatest impact on the valuation include:
	Our audit procedures included:
	• Assessing the appropriateness of the Group's change in accounting policy to measure Network Assets at fair value, including consideration of the requirements of the applicable accounting standards and the rationale for the change.
	• Assessing the competence, independence and objectivity of the external valuer engaged by management.
	• With the assistance of our valuation specialists, evaluating the appropriateness of the discounted cash flow methodology used to determine the fair value of the Network Assets by reference to valuation standards, accounting standards and market practice for similar infrastructure assets.
	• In conjunction with our valuation specialists, evaluating the key assumptions used in the valuation, including:
	  ◦ forecast fibre connections, by comparing assumptions to historical trends and board-approved budgets;
	  ◦ forecast average revenue per user (ARPU), by reference to historical performance, board-approved budgets and market expectations;

Independent Auditor's Report (continued)

KPMG

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
Revaluation of Network Assets (continued)	
• Forecast fibre connections on the existing network, including assumptions regarding future uptake and customer growth; • Average revenue per user (ARPU) and the sustainability of future revenue streams generated from the network; • Forecast operating and capital expenditure required to operate, maintain and support the network over the valuation period; and • The discount rate applied to future cash flows, reflecting the risks associated with the network assets and the broader operating environment. • Given the magnitude of the network asset base and the sensitivity of the valuation to changes in key assumptions, relatively small changes in these assumptions could have a material impact on the fair value recognised in the financial statements. • This, together with the complexity and judgement involved in the first-time application of the fair value model, resulted in this area being a key audit matter.	◦ forecast operating and capital expenditure, by comparing assumptions to historical expenditure patterns, board-approved budgets and strategic plans; and ◦ the discount rate, by comparing inputs and assumptions to observable market data and comparable infrastructure businesses. • Assessing whether the assumptions used in the valuation were consistent with other areas of the audit, including approved budgets and forecasts used by management. • Testing the completeness and accuracy of key data provided to the external valuer, including reconciling the network assets included in the valuation model to the Group's fixed asset register. • Testing the mathematical accuracy of the valuation model and assessing whether the resulting fair value fell within a reasonable range. • Examining whether the revaluation increment arising from the first-time application of the fair value model had been appropriately recognised and presented in the financial statements. • Assessing the adequacy of the related financial statement disclosures, including disclosures regarding the change in accounting policy, valuation methodology, key assumptions, and estimation uncertainty.
Revaluation of Land & Buildings	
Refer to Note 1 of the financial statements. The Group has land and buildings are carried at a fair value of $352 million (30 June 2025: $382 million). The Group's accounting policy requires land and buildings to be externally revalued at least every three years by an independent valuer. A full external valuation was performed as at 30 June 2026. The revaluation of land and buildings is a key audit matter due to the significance of these assets to the Group's consolidated statement of financial position and the judgement involved in determining their fair value. The valuation requires the application of specialised valuation methodologies and assumptions, including consideration of market evidence for comparable properties, location-specific factors, asset condition, highest and best use assessments and, where relevant, income-based valuation inputs. Given the magnitude of the land and buildings balance and the sensitivity of the valuation to key assumptions and market inputs, changes in these assumptions could have a material impact on the carrying value of the assets and the revaluation movements recognised in the financial statements. Accordingly, we considered this to be a key audit matter.	Our audit procedures included: • Assessing the competency, objectivity, and independence of the external valuer engaged by management. • Evaluating whether the valuation methodologies applied by the external valuer were appropriate for determining the fair value of the land and buildings and consistent with applicable valuation and accounting standards. • Assessing the completeness and accuracy of the asset data provided to the external valuer by reconciling the land and buildings included in the valuation to the Group's fixed asset register. • Evaluating the valuation of a sample of properties across different regions by comparing key assumptions and valuation inputs, including market-based evidence to independent market data and other relevant source information. • Examining whether the revaluation increment had been appropriately recognised and presented in the financial statements. Assessing the adequacy of the related financial statement disclosures, including disclosures regarding valuation methodologies, significant assumptions, and fair value measurements, for compliance with the applicable accounting standards.

Independent Auditor's Report (continued)

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 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 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

View Audit Report online
This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is David Gates.

For and on behalf of KPMG

KPMG Wellington
24 August 2026

Financial statements

Consolidated income statement

For the year ended 30 June 2026

	Notes	2026 $M	2025[1] $M
Operating revenue	9	1,029	1,014
Operating expenses	10	(303)	(309)
Earnings before interest, income tax, depreciation and amortisation		**726**	**705**
Depreciation	1,7	(349)	(390)
Amortisation	2,3	(90)	(84)
Net gains on derivatives and foreign exchange		-	4
Operating profit		**287**	**235**
Investing income		3	2
Profit before financing and income tax		**290**	**237**
Finance expense	4	(221)	(216)
Profit before income tax		**69**	**21**
Income tax expense	14	(32)	(17)
Net profit for the year		**37**	**4**

Earnings per share			
Basic earnings per share (dollars)	17	**0.09**	**0.01**
Diluted earnings per share (dollars)	17	**0.07**	**0.01**

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

1 Prior periods have been retrospectively restated to reflect the early adoption of NZ IFRS 18. Refer to notes to the consolidated financial statements.

Financial statements

Consolidated statement of comprehensive income

For the year ended 30 June 2026

	Note	2026 $M	2025 $M
Net profit for the year		**37**	**4**
Other comprehensive income			
		-	
Movements in effective cash flow hedges	19	(8)	(61)
Amortisation of de-designated cash flow hedges transferred to Income Statement	19	4	4
Movement in cost of hedging reserve	19	4	2
Items that will be reclassified subsequently to Income Statement when specific conditions are met net of tax		**-**	**(55)**
Total comprehensive profit/(loss) for the year net of tax		**37**	**(51)**

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

Financial statements

Consolidated statement of financial position

For the year ended 30 June 2026

	Notes	2026 $M	2025 $M
Current assets			
Cash and call deposits	15	199	81
Trade and other receivables	11	175	152
Derivative financial instruments	19	21	1
Total current assets		**395**	**234**
Non-current assets			
Derivative financial instruments	19	233	238
Trade and other receivables	11	9	7
Customer retention assets	3	83	71
Software and other intangible assets	2	129	140
Network assets	1	5,876	5,016
Land and buildings	1	352	382
Total non-current assets		**6,682**	**5,854**
Total assets		**7,077**	**6,088**
Current liabilities			
Trade and other payables	12	269	239
Income tax payable		6	3
Lease payable	5	12	15
Derivative financial instruments	19	5	-
Debt	4	112	220
Total current liabilities excluding Crown funding		**404**	**477**
Crown funding	7	28	28
Total current liabilities		**432**	**505**
Non-current liabilities			
Trade and other payables	12	11	11
Deferred tax liability	14	672	378
Derivative financial instruments	19	77	60
Lease payable	5	135	147
Debt	4	3,204	2,918
Total non-current liabilities excluding NIFF and Crown funding		**4,099**	**3,514**
National Infrastructure Funding and Financing (NIFF) securities	6	672	627
Crown funding	7	844	875
Total non-current liabilities		**5,615**	**5,016**
Total liabilities		**6,047**	**5,521**
Equity			
Share capital	16	578	578
Reserves	1,19	947	267
Retained earnings		(495)	(278)
Total equity		**1,030**	**567**
Total liabilities and equity		**7,077**	**6,088**

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

Mark Cross
Chair

Kate Jorgensen
Chair, Audit and Risk Management Committee

Authorised for issue on 24 August 2026

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

Financial statements

Consolidated statement of changes in equity

For the year ended 30 June 2026

	Notes	SHARE CAPITAL $M	REVALUATION RESERVE $M	OTHER RESERVES $M	RETAINED EARNINGS $M	TOTAL $M
Balance at 1 July 2024		**578**	**272**	**50**	**(59)**	**841**
Comprehensive income						
Net profit 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**
Comprehensive income						
Net profit for the year		-	-	-	37	37
Other comprehensive income						
Movement in cash flow hedge reserve	19	-	-	(8)	-	(8)
Amortisation of de-designated cash flow hedges transferred to Income Statement	19	-	-	4	-	4
Movement in cost of hedging reserve	19	-	-	4	-	4
Movement in revaluation reserve	1	-	680	-	-	680
Total comprehensive income for the year net of tax		**-**	**680**	**-**	**37**	**717**
Contributions by and (distributions to) owners:						
Dividends	16	-	-	-	(254)	(254)
Total transactions with owners		**-**	**-**	**-**	**(254)**	**(254)**
Balance at 30 June 2026		**578**	**952**	**(5)**	**(495)**	**1,030**

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

Financial statements

Consolidated statement of cash flows

For the year ended 30 June 2026

	Notes	2026 $M	2025 $M
Cash flows from operating activities			
Cash was provided from/(applied to):			
Receipts from customers		1,024	1,019
Payment to suppliers and employees		(280)	(310)
Taxation paid		(4)	-
Net cash flows provided from operating activities		**740**	**709**
Cash flows applied to investing activities			
Cash was provided from/(applied to):			
Purchase of network and intangible assets		(374)	(397)
Interest received		3	2
Proceeds from sale of network assets		5	3
Capitalised interest paid		(1)	(2)
Net cash flows applied to investing activities		**(367)**	**(394)**
Cash flows from financing activities			
Cash was provided from/(applied to):			
Payment of lease liabilities		(13)	(14)
Interest paid		(161)	(152)
Crown funding		-	4
Repayment of NIFF securities		-	(170)
Proceeds from debt		944	662
Repayment of debt		(771)	(385)
Share vested under the long-term performance share scheme		-	(1)
Dividends paid		(254)	(223)
Net cash flows applied to financing activities		**(255)**	**(279)**
Net cash flows		**118**	**36**
Cash at the beginning of the year		81	45
Cash at the end of the year	**15**	**199**	**81**
Cash comprises:			
Bank balances and on-call deposits		42	33
Short-term deposits with original maturity less than three months		157	48
Total cash		**199**	**81**

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

Financial statements

Consolidated statement of cash flows (continued)

Reconciliation of operating profit to net cash flows from operating activities

	Notes	2026 $M	2025 $M
Operating profit for the year		**287**	**235**
Adjustment for:			
Depreciation of network assets	1	380	420
Amortisation of Crown funding	7	(31)	(30)
Amortisation of software and other intangible assets	2	52	51
Amortisation of customer retention assets	3	41	37
Proceeds from sale of network and intangible assets		(5)	(3)
Taxation paid		(4)	-
Other		2	(4)
		722	**706**
Change in current assets and liabilities:			
Increase in trade and other receivables	11	(25)	1
Increase in operating trade payables	12	43	2
		18	**3**
Net cash flows from operating activities		**740**	**709**

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

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 2024	**2,626**	**929**	**744**	**159**	**578**	**(59)**
Movements from financing 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 profit for the year ended 30 June 2025	-	-	-	-	-	4
Balance at 30 June 2025	**3,138**	**903**	**627**	**147**	**578**	**(278)**
Movements from cash flows						
Payment of lease liabilities	-	-	-	(13)	-	-
Proceeds from debt	944	-	-	-	-	-
Repayment of debt	(763)	-	-	-	-	-
Dividends paid	-	-	-	-	-	(254)
Total changes from financing cash flows	**181**	**-**	**-**	**(13)**	**-**	**(254)**
Other cash flows						
Interest paid on leases	-	-	-	(14)	-	-
Non-cash movements						
Movements in fair value (including foreign exchange rates)	(8)	-	-	-	-	-
Transaction costs and amortisation related to financing	5	(31)	-	-	-	-
Notional interest	-	-	45	-	-	-
Lease movements	-	-	-	27	-	-
Net profit for the year ended 30 June 2026	-	-	-	-	-	37
Balance at 30 June 2026	**3,316**	**872**	**672**	**147**	**578**	**(495)**

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 Fibre Holdings and Crown Infrastructure Partners Limited) 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 Securities 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 accounting standards issued by the International Accounting Standards Board (NZ IFRS Accounting Standards) as appropriate for profit-oriented entities, and with IFRS Accounting 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, network assets (refer note 1), 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.

During the period, Chorus changed its accounting policy for network assets (previously classified as fibre cables, ducts, manholes and poles, copper cables, cabinets and network electronics) from the cost model to the revaluation model under NZ IAS 16 Property, Plant and Equipment (refer to note 1). All other 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 2025. Their adoption has not had any material impact on the disclosures or amounts reported 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 has elected to early adopt this standard in the year ended 30 June 2026. Comparative information has been restated to reflect the requirements of NZ IFRS 18. These changes affect presentation and disclosure only and do not affect the amounts previously reported.

In June 2025, 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.

CHANGE IN ACCOUNTING POLICY

Chorus changed from the cost model to a revaluation model for network assets to better reflect the current value of Chorus's extensive network infrastructure, given:

- the regulated nature of parts of the network;
- the long-lived, infrastructure-like characteristics of the asset base; and
- the availability of robust valuation techniques and market-informed assumptions.

Chorus considers the revaluation model provides more relevant and decision-useful information to users of the financial statements. The policy has been applied prospectively from the date of revaluation in accordance with NZ IAS 16. The revaluation was based on an independent valuation performed as at 30 June 2026. Refer to note 1.

Notes to the consolidated financial statements (continued)

NEW ACCOUNTING STANDARD ADOPTED

Chorus has early adopted NZ IFRS 18 *Presentation and Disclosure in Financial Statements* for the year ended 30 June 2026. The standard has been applied retrospectively in accordance with transition requirements and comparative information has been restated.

The adoption affects presentation and disclosure only. There is no impact on the profit or loss, total comprehensive income, equity or cash flows in either the current or comparative period.

Chorus now presents operating profit as a mandatory subtotal. Certain income and expense items have been reclassified between categories compared with the prior period presentation, as set out in the reconciliation below.

Chorus uses certain management-defined performance measures (MPMs) that are not specified in NZ IFRS Standards to assess and communicate financial performance. These are disclosed below.

Reconciliation of comparative statement of profit or loss for the year ended 30 June 2025

	REPORTED $M	RECLASSIFICATION $M	RESTATED UNDER NZ IFRS 18 $M
Operating revenue	1,014	-	1,014
Operating expenses	(309)	-	(309)
Earnings before interest, income tax, depreciation and amortisation	**705**	**-**	**705**
Depreciation	(390)	-	(390)
Amortisation	(84)	-	(84)
Net gains on derivatives and foreign exchange	-	4	4
Operating profit	**231**	**4**	**235**
Investing income	-	2	2
Profit before financing and income tax	**-**	**2**	**237**
Finance income	2	(2)	-
Finance expense	(212)	(4)	(216)
Profit before income tax	**21**	**-**	**21**
Income tax expense	(17)	-	(17)
Net profit for the year	**4**	**-**	**4**

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 2026 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)

Network assets are recorded at fair value using a Level 3 methodology in line with the fair value hierarchy. Fair value is determined based on a periodic independent valuation using a discounted cash flow (DCF) approach. A DCF estimates the present value of future cash flows attributable to the existing network assets. The valuation reflects the service potential of the network at the reporting date and excludes cash flows relating to future expansions or enhancements of service capability. The valuation technique and key assumptions, including long-term demand, operating and capital expenditure, regulatory settings and discount rates, are determined by the independent valuer with input and review by 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 may materially differ from fair value at the end of the reporting period. Indicators may arise from changes in market conditions, regulatory assumptions, or technological developments. 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.

The carrying value of network assets is assessed for indicators of impairment 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.

Notes to the consolidated financial statements (continued)

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.

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.

MANAGEMENT-DEFINED PERFORMANCE MEASURES

Chorus uses certain financial measures that are not defined by NZ IFRS but are used by management in public communications with investors and other stakeholders. These measures provide insight into Chorus's underlying performance and are referred to as MPMs. MPMs represent management's view of an aspect of the financial performance of the entity as a whole and are not necessarily comparable with measures sharing similar labels or descriptions provided by other entities.

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

EBITDA is used internally for budgeting, forecasting and performance evaluation. It is also used to communicate externally in investor presentations and earnings releases. Management believes this measure provides useful information to investors by excluding items that may obscure underlying business performance.

EBITDA is used by management to assess operating performance before the impact of financing and non-cash expenses. EBITDA adds back depreciation and amortisation expense and deducts net (gains)/losses on derivatives and foreign exchange from operating profit. It is calculated as follows:

Year ended 30 June	2026 $M	2025 $M
Operating profit	287	235
Add back: Depreciation	349	390
Add back: Amortisation	90	84
Deduct: Net gains on derivatives and foreign exchange	-	(4)
EBITDA	**726**	**705**

Note 1 – Network assets, land and buildings

Network assets

Network assets are carried at a revalued amount. The revalued amount represents the fair value of each network 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 recognised in the Consolidated statement of comprehensive income to the extent of any existing credit balance in the revaluation reserve attributable to that asset. Any excess is recognised in the Consolidated income statement as an expense. The attributable revaluation surplus remaining in the asset revaluation reserve relating to network assets disposed of, net of any related deferred taxes, is transferred directly to retained earnings on the derecognition of the relevant asset.

Chorus adopted a fair value approach on 30 June 2026 using a DCF valuation provided by PricewaterhouseCoopers (PwC). Chorus determined that PwC holds the appropriate qualifications and experience in the fair value measurement of network infrastructure assets. A DCF model was considered as a more appropriate approach than an Optimised Depreciated Replacement Cost (ODRC) model. DCF was chosen as an appropriate representation of the fibre network due to the long-term revenue-generating nature and the availability of reliable cash flow projections.

Under a DCF approach fair value is determined as the present value of the estimated future cash flows expected to be generated by the existing network assets over the expected operating life of the network, discounted at a rate that reflects the risks specific to the network assets. The valuation reflects the network in its current state and excludes cash flows associated with future expansions or enhancements of service capability.

The valuation applies a DCF methodology that reflects:

- present value of expected future cash flows from the network assets;
- a discrete forecast period of 9 years based on Chorus's long-range plan;
- a terminal period based on the expected technology horizon, having regard to the economic life of the network assets; and
- exclusion of cash flows relating to future network expansions beyond existing service capability.

The DCF valuation is subject to a number of significant assumptions including:

- forecast fibre connections to the existing network and average revenue per user (ARPU);
- long-term operating and capital expenditure; and
- discount rate.

The valuation assumes continued operation of the existing network assets over their average remaining useful life, and no material change in regulatory settings, including the fibre regulatory framework established under the Telecommunications Act 2001, over the defined economic valuation.

As a result of adopting the revaluation model, the carrying amount of network assets increased by $983 million and a revaluation surplus of $708 million, net of deferred tax (note 14), has been recognised in other comprehensive income and accumulated in the asset revaluation reserve. As this is the first revaluation, no amounts were recognised in profit or loss. The prior year comparatives are stated at historical cost less accumulated depreciation. The revaluation surplus represents unrealised gains recognised in the asset revaluation reserve and does not form part of retained earnings.

Sensitivity analysis

The valuation is sensitive to changes in key assumptions. Chorus has considered the impact of reasonably possible changes in these assumptions on the fair value of the network assets.

Valuation midpoint applied for the financial statements is $5,562 million.

KEY UNOBSERVABLE INPUT	BASE ASSUMPTIONS	SENSITIVITY	FAIR VALUE RANGE $M	IMPACT ON VALUATION
Discount rate	7.32%	+/- 0.5%	~5,200 – 5,900	Higher rate, lower fair value
Connections	80% by FY30, then maintained	-0.5%	~5,200	Lower connections, lower fair value
Average revenue per user	Average of $63 per month	-5%	~5,300	Lower ARPU, lower fair value
Operating expenditure	Inflated at appropriate rates	+/-5%	~5,300 – 5,850	Higher expenditure, lower fair value
Capital expenditure	Inflated at appropriate rates	+/-5%	~5,400 - 5,700	Higher expenditure, lower fair value

Note 1 – Network assets, land and buildings (continued)

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.

Land and buildings were independently revalued as at 31 March 2026 by AON. The valuation incorporates observable inputs, including recent market transactions and relevant market indices, and applies a combination of market-based and depreciated replacement cost approaches, as appropriate for each asset class, with input and review by Chorus management.

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 calculated based on the revalued amount on a straight-line basis to write down the fair value of network assets to their estimated residual value over their estimated useful life. Estimated useful lives are as follows:

	ESTIMATED USEFUL LIFE
Network assets	
Fibre cables	20-30 years
Ducts, manholes and poles	20-50 years
Copper cables	10-25 years
Cabinets	5-20 years
Network electronics	2-25 years
Buildings	10-50 years
Other	2-25 years

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

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 net sale proceeds and the carrying value of the asset.

The cost of additions to network assets and work in progress constructed by Chorus includes materials, directly attributable labour, capitalised borrowing costs, resource management consent costs, and attributable overheads.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date 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 2026	NETWORK ASSETS (fair value) $M	LAND & BUILDINGS (fair value) $M	RIGHT OF USE ASSETS (cost) $M	OTHER (cost) $M	WORK IN PROGRESS (cost) $M	TOTAL $M
Gross carrying amount						
Balance at 1 July 2025[2]	11,672	387	260	313	164	12,796
Additions	256	8	-	3	108	375
Disposals	(30)	-	(4)	(7)	-	(41)
Transfers from work in progress	-	-	-	-	(107)	(107)
Reclassification	270	(16)	(1)	(253)	-	-
Other	-	-	-	(10)	-	(10)
Net revaluations through other comprehensive income	(6,579)	(28)	-	-	-	(6,607)
Balance at 30 June 2026	**5,589**	**351**	**255**	**46**	**165**	**6,406**
Accumulated depreciation						
Balance at 1 July 2025[2]	(7,037)	(5)	(121)	(235)	-	(7,398)
Depreciation	(361)	(3)	(13)	(3)	-	(380)
Disposals	26	-	4	6	-	36
Reclassification	(198)	9	-	189	-	-
Other	-	-	-	2	-	2
Net revaluations through other comprehensive income	7,562	-	-	-	-	7,562
Balance at 30 June 2026	**(8)**	**1**	**(130)**	**(41)**	**-**	**(178)**
Net carrying amount	**5,581**	**352**	**125**	**5**	**165**	**6,228**

30 June 2025	NETWORK ASSETS (cost) $M	LAND & BUILDINGS (fair value) $M	RIGHT OF USE ASSETS (cost) $M	OTHER (cost) $M	WORK IN PROGRESS (cost) $M	TOTAL $M
Gross carrying amount						
Balance at 1 July 2024	11,396	377	250	309	159	12,491
Additions	284	10	12	7	131	444
Disposals	(8)	-	(2)	(3)	-	(13)
Transfers from work in progress	-	-	-	-	(122)	(122)
Other	-	-	-	-	(4)	(4)
Balance at 30 June 2025	**11,672**	**387**	**260**	**313**	**164**	**12,796**
Accumulated depreciation						
Balance at 1 July 2024	(6,653)	(2)	(110)	(225)	-	(6,990)
Depreciation	(391)	(3)	(13)	(13)	-	(420)
Disposals	7	-	2	3	-	12
Balance at 30 June 2025	**(7,037)**	**(5)**	**(121)**	**(235)**	**-**	**(7,398)**
Net carrying amount	**4,635**	**382**	**139**	**78**	**164**	**5,398**

Transfers from work in progress are disclosed as additions by asset class in the year they are incurred. Reclassifications are a result of the re-categorisation of asset classes in the current period to reflect those being revalued in the collective network assets class.

There are no restrictions on Chorus's network assets or any network assets pledged as securities for liabilities.

At 30 June 2026 the contractual commitments for acquisition and construction of the network assets was $35 million (30 June 2025: $26 million).

2 30 June 2025 opening balances are at cost, except 'Land & Buildings'.

Note 1 – Network assets, land and buildings (continued)

Network Assets and Land and buildings at historical cost

If network assets were stated on an historical cost basis, the amounts would be as follows:

	2026 $M	2025 $M
Network assets (at cost)	12,168	11,672
Network assets accumulated depreciation	(7,570)	(7,037)
Net carrying amount	**4,598**	**4,635**

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

	2026 $M	2025 $M
Land and buildings (at cost)	200	210
Buildings accumulated depreciation	(121)	(118)
Net carrying amount	**79**	**92**

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.

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's 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 2025: 5.65%). 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 $1 million (30 June 2025: $2 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

Note 1 – Network assets, land and buildings (continued)

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 1 July 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**
Additions	-	1	-	1
Depreciation charge	(1)	(5)	(8)	(14)
Balance at 30 June 2026	**10**	**41**	**74**	**125**

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. Refer to note 5 for information on leases.

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 2026	SOFTWARE $M	OTHER INTANGIBLES $M	WORK IN PROGRESS $M	TOTAL $M
Cost				
Balance at 1 July 2025	1,049	6	32	1,087
Additions	52	-	42	94
Transfers from work in progress	-	-	(53)	(53)
Balance at 30 June 2026	**1,101**	**6**	**21**	**1,128**
Accumulated amortisation				
Balance at 1 July 2025	(945)	(2)	-	(947)
Amortisation	(52)	-	-	(52)
Balance at 30 June 2026	**(997)**	**(2)**	**-**	**(999)**
Net carrying amount	**104**	**4**	**21**	**129**

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

Note 2 – Software and other intangible assets (continued)

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**

At 30 June 2026 the contractual commitment for acquisition of software and other intangible assets was $10 million (30 June 2025: $5 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 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**
Additions	50	3	53
Amortisation to amortisation expense	(38)	-	(38)
Amortisation to operating revenue	-	(3)	(3)
Balance at 30 June 2026 (net carrying amount)	**80**	**3**	**83**

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 4.95% (30 June 2025: 5.39%).

	Due date	2026 $M	2025 $M
Syndicated bank facilities		-	220
Euro medium term notes EUR	Dec 2026	112	563
Euro medium term notes EUR	Sept 2029	996	973
Euro medium term notes EUR	Nov 2032	796	-
Australian medium term notes AUD	Sept 2030	363	335
Fixed rate NZD Bonds	Dec 2027	200	200
Fixed rate NZD Bonds	Dec 2028	514	519
Fixed rate NZD Bonds	Dec 2030	177	172
Capital Notes	Jun 2031	172	171
Less: facility fees		(14)	(15)
Total debt		**3,316**	**3,138**
Current		**112**	**220**
Non-current		**3,204**	**2,918**

Syndicated bank facilities

As at 30 June 2026 Chorus had a $450 million committed syndicated facility on market standard terms and conditions (30 June 2025: $450 million). The facility is held with banks that are rated A to AA-, based on Standard & Poor's ratings. As at 30 June 2026, no drawdowns have been made (30 June 2025: $220 million was drawn down).

Medium Term Notes (MTN)

Face value	INTEREST RATE	2026 $M	2025 $M
EUR 300 million	0.88%	112	563
EUR 500 million	3.63%	996	973
EUR 400 million	3.53%	796	-
AUD 300 million	5.97%	363	335

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

	2026 EUR 400 $M	2025 EUR 400 $M	2026 EUR 500 $M	2025 EUR 500 $M	2026 EUR 300 $M	2025 EUR 300 $M
Euro MTN (EMTN) (at carrying value)	796	-	996	973	112	563
Impact of fair value hedge	8	-	10	(6)	1	17
Impact of hedged rates used	17	-	(186)	(147)	(17)	(66)
EMTN at hedged rates (non-GAAP measure)	**821**	**-**	**820**	**820**	**96**	**514**
EMTN at fair value	**815**	**-**	**1,046**	**1,020**	**114**	**569**

Note 4 – Debt (continued)

	2026 AUD 300 $M	2025 AUD 300 $M
Australian MTN (AMTN) (at carrying value)	363	335
Impact of fair value hedge	2	(11)
Impact of hedged rates used	(40)	1
AMTN at hedged rates (non-GAAP measure)	**325**	**325**
AMTN at fair value	**378**	**348**

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.

Fixed rate NZD bonds

	Due date	Interest rate	2026 $M	2025 $M
Fixed rate NZD Bonds	Dec 2027	1.98%	200	200
Fixed rate NZD Bonds	Dec 2028	4.35%	514	519
Fixed rate NZD Bonds	Dec 2030	2.51%	177	172
Total fixed rate NZD Bonds			**891**	**891**

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 $177 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 $514 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 2026, Chorus had $900 million of unsecured, unsubordinated debt securities (30 June 2025: $900 million).

Capital notes

	Due date	Interest rate	2026 $M	2025 $M
Capital notes	Jun 2031	5.90%	172	171
Total capital notes			**172**	**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 the capital notes has been swapped to a floating rate using interest rate swaps, creating a fair value hedge which has a fair value of $172 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 Maturities

	2026 $M	2025 $M
Current	112	220
Due one to two years	200	563
Due two to three years	514	200
Due three to four years	996	519
Due four to five years	540	973
Due over five years	968	678
Total due	**3,330**	**3,153**
Less: facility fees	(14)	(15)
	3,316	**3,138**

No debt has been secured against assets, however there are financial covenants and events 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 2025: complied).

Refer to note 20 for information on financial risk management.

Note 4 – Debt (continued)

Finance expense

	2026 $M	2025 $M
Interest on syndicated bank facility	7	12
Interest on EMTN	75	71
Interest on AMTN	15	21
Interest on fixed rate NZD bonds	43	42
Interest on capital notes	10	1
Ineffective portion of changes in fair value of cash flow hedges	(6)	(4)
Other interest expense	33	22
Capitalised interest	(1)	(2)
Total finance expense excluding NIFF securities (notional) interest	**176**	**163**
NIFF securities (notional) interest	45	53
Total finance expense	**221**	**216**

Other interest expense includes $14 million lease interest expense (30 June 2025: $11 million), $8 million costs incurred on partial termination of EMTNs and $5 million of amortisation arising from the difference between fair value and proceeds realised from the swaps reset (30 June 2025: $7 million).

Foreign exchange gains and losses on foreign currency borrowings and related hedging instruments are recognised within finance expense.

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's 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's discounted cash flows by category are summarised below:

	2026 $M	2025 $M
Fibre cables	11	11
Ducts, manholes and poles	46	50
Property	90	101
Total lease payable	**147**	**162**
Current	**12**	**15**
Non-current	**135**	**147**

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:

	2026 $M	2025 $M
Amounts recognised in Consolidated income statement:		
Interest on lease payable	14	11
Amounts recognised in Consolidated statement of cash flows:		
Principal payments	(13)	(14)
Lease interest	(14)	(11)

Note 6 – NIFF securities

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's 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's 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

During the period ended 30 June 2026 no NIFF debt securities or NIFF equity securities were repaid (30 June 2025: $85 million of NIFF debt Securities and $85 million of NIFF equity securities were repaid).

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 2026, Chorus had issued a total 10,543,386 warrants which had a fair value and carrying value that approximated zero (30 June 2025: 9,903,147 warrants issued).

Note 6 – NIFF securities (continued)

At 30 June 2026, the component parts of NIFF debt and equity instruments, including notional interest, were:

	2026			2025		
	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	143	165	308	228	250	478
Repayment of securities at fair value	-	-	-	(85)	(85)	(170)
Balance at 30 June	**143**	**165**	**308**	**143**	**165**	**308**
Accumulated notional interest						
Balance at 1 July	137	182	319	115	151	266
Notional interest	18	27	45	22	31	53
Balance at 30 June	**155**	**209**	**364**	**137**	**182**	**319**
Total NIFF securities	**298**	**374**	**672**	**280**	**347**	**627**
Current	**-**	**-**	**-**	**-**	**-**	**-**
Non-current	**298**	**374**	**672**	**280**	**347**	**627**
NIFF at fair value	**326**	**431**	**757**	**303**	**395**	**698**

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 2025: 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 tenor). The discount rate on the NIFF equity securities is capped at Chorus's 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.

	2026					2025				
	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	24	1,176	860	50	242	20	1,172
Additional funding recognised at fair value	-	-	-	-	-	-	-	-	4	4
Balance at 30 June	**860**	**50**	**242**	**24**	**1,176**	**860**	**50**	**242**	**24**	**1,176**
Accumulated amortisation of funding										
Balance at 1 July	(173)	(4)	(84)	(12)	(273)	(153)	(2)	(77)	(11)	(243)
Amortisation	(22)	-	(8)	(1)	(31)	(20)	(2)	(7)	(1)	(30)
Balance at 30 June	**(195)**	**(4)**	**(92)**	**(13)**	**(304)**	**(173)**	**(4)**	**(84)**	**(12)**	**(273)**
Total Crown funding	**665**	**46**	**150**	**11**	**872**	**687**	**46**	**158**	**12**	**903**
Current					**28**					**28**
Non-current					**844**					**875**

Crown funding largely comprises project-related government funding for the 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's 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's operations are provided in New Zealand, therefore no geographic information is provided.

Three Chorus customers met the reporting threshold of 10 percent of Chorus's operating revenue in the year to 30 June 2026 (30 June 2025: same). The total revenue for the year ended 30 June 2026 from these customers was $351 million (30 June 2025: $363 million), $170 million (30 June 2025: $190 million) and $228 million (30 June 2025: $228 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. Customers receive access to the network continuously throughout the contract period, and revenue is recognised over time as the service is provided. Unbilled revenues representing services provided from the billing cycle date to the end of each month are recognised as revenue during the month the service is provided, based on contracted prices and connection volumes. Revenue for the portion of fixed monthly charges that have been billed in advance is recognised as a contract liability and released to revenue over the service period.
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. Revenue is recognised over time on a basis consistent with fibre and copper connections noted above.
Infrastructure	Providing physical storage and site-sharing rental services for co-location of third party or shared assets. Customers receive access to the services continuously throughout the contract period. Revenue is recognised over time on a basis consistent with fibre and copper connections noted above. Revenue is billed and recognised monthly.
Field services	Providing services in the field to protect, strengthen, and increase the available network – for example, installation services, wiring and consultation services. Revenue from field services is recognised as revenue over time as the services are provided. Revenue from installation of connections is recognised at a point in time upon completion of the connection.

Revenue by service

	2026 $M	2025 $M
Fibre broadband (GPON)	792	745
Fibre premium	64	64
Copper based broadband	33	56
Copper based voice	7	17
Data services copper	1	2
Field services products	66	64
Infrastructure	35	35
Value added network services	25	26
Other	6	5
Total operating revenue	**1,029**	**1,014**

Amounts collected on behalf of third parties

Revenue above is exclusive of amounts collected on behalf of, and paid to third parties, which totalled $2 million in the year (30 June 2025: $6 million). Any amounts collected but not yet passed to the third party are recognised within trade and other payables.

Note 10 – Operating expenses

	2026 $M	2025 $M
Labour	81	85
Network maintenance	36	47
Information technology costs	41	40
Other network costs	46	37
Electricity	24	22
Property costs	33	27
Advertising	12	12
Regulatory levies	9	11
Consultants	5	9
Other	16	19
Total operating expenses	**303**	**309**

Labour

Labour of $81 million (30 June 2025: $85 million) represents employee costs which are not capitalised. Labour expenses for the year ended 30 June 2025 included $5 million in redundancy costs associated with a restructuring programme undertaken during the year, with the related payments made in the year ended 30 June 2026.

Pension contributions

Included in labour costs are payments to the New Zealand Government Superannuation Fund of $170,000 (30 June 2025: $197,000) and contributions to KiwiSaver of $3.6 million (30 June 2025: $3.2 million). At 30 June 2026 there were 7 employees in New Zealand Government Superannuation Fund (30 June 2025: 8 employees) and 699 employees in KiwiSaver (30 June 2025: 712 employees). Chorus has no other obligations to provide pension benefits in respect of employees.

Charitable and political donations

Other costs include charitable donations of $505,000 towards digital inclusion and health initiatives (30 June 2025: $253,000 towards digital inclusion and health initiatives). Chorus has not made any political donations (30 June 2025: nil).

Auditor remuneration

Included in other expenses are fees paid to auditors:

	2026 $000'S	2025 $000'S
Audit and review of statutory financial statements	**704**	**636**
Regulatory audit and assurance work[1]	489	504
Other services[2]	-	32
Total other services	**489**	**536**
Total fees paid to the auditor	**1,193**	**1,172**

[1] Regulatory audit and assurance work includes $67,000 of assurance fees for climate related disclosures, $42,000 of assurance fees for debt issuance, $19,000 of assurance fees for Telecommunications Development Levy and $361,000 for assurance fees in relation to fibre regulation (30 June 2025: regulatory audit and assurance work includes $75,000 of assurance fees for climate-related disclosures, $19,000 of assurance fees for Telecommunications Development Levy and $410,000 of assurance fees in relation to fibre regulation).

[2] 30 June 2025: 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.

	2026 $M	2025 $M
Trade receivables	99	95
Other receivables	68	52
Prepayments	17	12
Trade and other receivables	**184**	**159**
Current	**175**	**152**
Non-current	**9**	**7**

Included within other receivables is $60 million of interest receivable (30 June 2025: $44 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:

	2026 $M	2025 $M
Not past due	98	91
Past due 1-30 days	1	2
Past due 31-60 days	-	1
Past due 61-90 days	-	1
	99	**95**

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 $1 million of accounts receivable that are past due but not impaired (30 June 2025: $4 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 payment terms. The carrying value of trade and other payables approximates their fair values.

	2026 $M	2025 $M
Trade payables	70	51
Operating expenditure accruals	98	76
Capital expenditure accruals	7	20
Personnel accruals	19	19
Revenue billed in advance	86	84
Trade and other payables	**280**	**250**
Current	**269**	**239**
Non-current	**11**	**11**

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.

	2026 $M	2025 $M
Recognised in Consolidated income statement		
Net earnings before tax	69	21
Tax at 28%	19	6
Tax effect of adjustments		
Non-deductible expenses and income not subject to tax	13	9
Adjustments in respect of prior periods	-	2
Tax expense recognised in Consolidated income statement	**32**	**17**
Comprising:		
Current tax expense/(benefit)		
- Current year	8	17
Deferred tax expense		
- Adjustments in respect of prior periods	-	2
- Depreciation, provisions, accruals, leases and other	24	(2)
	32	**17**
Recognised in other comprehensive income		
Net movement in hedging related reserves	-	(22)
Net revaluation of assets	268	-
Tax expense recognised in other comprehensive income	**268**	**(22)**

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 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**
Balance at 1 July 2025	**(4)**	**(44)**	**377**	**49**	**-**	**378**
Recognised in Consolidated income statement	-	4	19	1	-	24
Recognised in Consolidated statement of comprehensive income	270	-	-	-	-	270
Balance at 30 June 2026	**266**	**(40)**	**396**	**50**	**-**	**672**

Imputation credits

Chorus has imputation credits available as at 30 June 2026 of $3.9 million (30 June 2025: $3.9 million). The account balance was positive as at 31 March 2026 and 31 March 2025.

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.

At 30 June 2026, Chorus held immaterial cash balances subject to contractual restrictions, which are not available for use at the reporting date. 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.

	2026 $M	2025 $M
Current assets		
Cash at bank and in hand	42	33
Deposits at call	157	48
	199	**81**

Note 16 – Equity

Share capital

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

	2026 NUMBER OF SHARES (millions)	2025 NUMBER OF SHARES (millions)
Ordinary shares	434	434

Chorus Limited has 433,887,294 fully paid ordinary shares (30 June 2025: 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 7 October 2025 and 14 April 2026, dividends of 34.5 cents per share and 24 cents per share respectively were paid to shareholders. These two dividend payments totalled $254 million (30 June 2025: 51.5 cents, $223 million).

No dividend reinvestment plan was available in the year ended 30 June 2026 (30 June 2025: no dividend reinvestment plan was available).

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 2026 of $627,000 has been recognised in the Consolidated income statement (30 June 2025: $403,000).

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 2026 is based on the net profit for the year of $37 million (30 June 2025: $4 million), and a weighted average number of ordinary shares outstanding during the period of 434 million (30 June 2025: 435 million), calculated as follows:

Basic earnings per share	2026	2025
Net profit attributable to ordinary shareholders ($ millions)	37	4
Denominator - weighted average number of ordinary shares (millions)	434	435
Basic earnings per share (dollars)	**0.09**	**0.01**

Diluted earnings per share		
Net profit attributable to ordinary shareholders ($ millions)	37	4
Weighted average number of ordinary shares (millions)	434	435
Ordinary shares required to settle NIFF equity securities (millions)	83	96
Ordinary shares required to settle NIFF warrants (millions)	11	10
Denominator - diluted weighted average number of shares (millions)	528	541
Diluted earnings per share (dollars)	**0.07**	**0.01**

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 its subsidiaries as listed below:

Name of entity	LOCATION	2026 OWNERSHIP	2025 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 Chorus, 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

	2026 $000'S	2025 $000'S
Short term employee benefits	8,430	10,201
Termination benefits	794	296
	9,224	**10,497**

	2026 $000'S	2025 $000'S
Directors' fees	1,070	1,084

The performance hurdles were not met for the long-term performance share scheme. However, share-based payment expense has been recognised in respect of existing awards with market-based conditions.

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 $6 million across the hedge relationships (30 June 2025: credit $4 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:

	2026 $M	2025 $M
Balance at 1 July	8	65
Changes in cash flow hedges	(11)	(85)
Amortisation of de-designated cash flow hedges transferred to Income Statement	5	6
Tax expense	2	22
Closing balance at 30 June	**4**	**8**

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 – Derivative 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's 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:

	2026 $M	2025 $M
Balance at 1 July	**(13)**	**(15)**
Change in currency basis spreads (when excluded from the designation)	6	3
Tax (benefit)/expense	(2)	(1)
Closing balance at 30 June	**(9)**	**(13)**

Derivatives

Interest rate swaps

As at 30 June 2026 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. As at 30 June 2026, the original swaps have now been fully amortised (30 June 2025: unamortised balance of the original fair values is debit $2 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. As at 30 June 2026, the original swaps have now been fully amortised (30 June 2025: unamortised balance of the original fair values is debit $3 million).

Note 19 – Derivative and hedge accounting (continued)

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, EMTN EUR 400 million issued in November 2025, 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.

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	57	-	96
EUR EMTN 500	Sep 2029	500	-	820
EUR EMTN 400	Nov 2032	400	-	822
AUD AMTN 300	Sep 2030	-	300	325

Note 19 – Derivative and hedge accounting (continued)

Hedging instruments used (pre-tax)

				Life to date values as at 30 June 2026					Year to date values recognised during the year ended 30 June 2026			
				Carrying amount of the hedging instrument					Hedge effectiveness in reserves		Hedge effectiveness	Hedge ineffectiveness
	CURRENCY	MATURITY	AVERAGE RATE	NOMINAL AMOUNT OF THE HEDGING INSTRUMENT	ASSETS	LIABILITIES	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS	COST OF HEDGING RESERVE	CASH FLOW HEDGE (OCI)	CASH FLOW HEDGE RECLASSIFIED TO THE INCOME STATEMENT	FAIR VALUE HEDGE RECOGNISED IN THE INCOME STATEMENT	RECOGNISED IN THE INCOME STATEMENT
		YEARS		$M	$M	$M	$M	$M	$M	$M	$M	$M
Cash flow hedges												
Interest rate swaps (including forward starting)	NZD	<1-5	2.82%	1,714	16	(12)	4	-	(12)	-	-	-
Restructured interest rate swaps 2018 (forward starting)	NZD	2	4.41%	500	-	(12)	4	-	3	2	-	2
Restructured interest rate swap 2020	NZD	<1	3.35%	200	-	-	27	-	(4)	3	-	4
Forward exchange rate contracts	NZD:USD	1-2	0.6073	36	3	-	3	-	6	(3)	-	-
Electricity futures	NZD	1-2	NA	NA	-	(7)	-	-	(5)	-	-	-
Fair value hedges												
Interest rate swaps	NZD	2-5	Floating	870	14	(24)	(7)	-	-	-	(1)	(1)
Fair value and cash flow hedges												
Cross currency interest rate swaps	NZD:EUR	<1	Floating	96	16	-	15	-	(49)	49	16	-
Cross currency interest rate swaps	NZD:EUR	3	Floating	820	166	-	177	(11)	40	(39)	(15)	-
Cross currency interest rate swaps	NZD:EUR	6	Floating	822	-	(27)	(25)	(2)	(17)	17	(8)	-
Cross currency interest rate swaps	NZD:AUD	4	Floating	325	39	-	39	(1)	44	(42)	(14)	-
Total hedged derivatives				**5,383**	**254**	**(82)**	**237**	**(14)**	**6**	**(13)**	**(22)**	**5**
Current					**21**	**(5)**						
Non-current					**233**	**(77)**						

Note 19 – Derivative and hedge accounting (continued)

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	AVERAGE RATE	NOMINAL AMOUNT OF THE HEDGING INSTRUMENT	ASSETS	LIABILITIES	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS	COST OF HEDGING RESERVE	CASH FLOW HEDGE	CASH FLOW HEDGE RECLASSIFIED TO THE INCOME STATEMENT	FAIR VALUE HEDGE RECOGNISED IN THE INCOME STATEMENT	RECOGNISED IN THE INCOME STATEMENT
		YEARS		$M	$M	$M	$M	$M	$M	$M	$M	$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)**						

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. The 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.

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's 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's assets, liabilities and financial performance will fluctuate due to changes in foreign currency exchange rates. Chorus has EUR 957 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 2026, Chorus did not have any significant unhedged exposure to currency risk (30 June 2025: 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 2026, no collateral was posted (30 June 2025: same).
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 (pre- tax) is outlined below:

	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
30 June 2026							
Floating rate							
Debt (after hedging)	593	-	-	-	-	-	593
Fixed rate							
Debt (after hedging)	297	-	500	820	525	992	3,134
NIFF securities	-	-	-	-	163	509	672
	890	**-**	**500**	**820**	**688**	**1,501**	**4,399**
30 June 2025							
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**

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.

	2026 $M Profit/(loss)	2026 $M Equity (increase) /decrease	2025 $M Profit/(loss)	2025 $M Equity (increase) /decrease
100 basis point increase	2	41	1	19
100 basis point decrease	(2)	(44)	(1)	(20)

Credit risk

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

	Notes	2026 $M	2025 $M
Cash and call deposits	15	199	81
Trade and other receivables	11	184	159
Derivative financial instruments	19	254	239
Maximum exposure to credit risk		**637**	**479**

Refer to individual notes for additional information on credit risk.

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 2026 Chorus has a net current liability position of $37 million (30 June 2025: net current liability position of $271 million). Chorus has access to an undrawn committed facility of $450 million (30 June 2025: $230 million) which provides significant liquidity support. Chorus also has detailed cash flow forecasts that incorporate expected operating cash flows, planned capital expenditure and financing activities. As at 24 August 2026, 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 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).

Note 20 – Financial risk management (continued)

Liquidity risk (continued)

30 June 2026	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	280	281	270	11	-	-	-	-
Leases (net settled)	147	90	12	10	9	9	8	42
Debt	3,316	2,736	158	300	582	563	706	427
NIFF securities	672	1,165	-	-	-	-	216	948
Derivative financial liabilities								
Interest rate swaps								
Outflows	47	52	20	13	9	6	3	-
Cross currency interest rate swaps								
Inflows	-	(499)	(14)	(14)	(14)	(14)	(14)	(428)
Outflows	27	1,091	35	40	41	42	43	890
Electricity forwards:								
Outflows	7	8	-	5	2	1	-	-

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	-	-	-	-	-

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 Consolidated 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 below:

30 June 2026	GROSS AMOUNTS OF FINANCIAL INSTRUMENTS IN THE CONSOLIDATED 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	30	(36)	(6)
Cross currency interest rate swaps	221	(27)	194
Forward exchange contracts	3	-	3
	254	**(63)**	**191**
Financial liabilities			
Interest rates swaps	(36)	36	-
Cross currency interest rate swaps	(27)	27	-
Restructured interest rate swaps	(12)	-	(12)
Electricity futures	(7)	-	(7)
	(82)	**63**	**(19)**

30 June 2025			
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)**

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 2 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 2026 (30 June 2025: no contingent liabilities).

Note 22 – Subsequent events

Dividends

On 24 August 2026 Chorus declared a unimputed dividend of 36.0 cents per share in respect of the year ended 30 June 2026.

NIFF securities

In December 2025, the New Zealand Government announced that it was commencing a sales process in relation to the securities NIFF holds in Chorus Limited. On 7 August 2026 the Crown agreed to the sale of those securities to a select group of domestic and international institutional investors with settlement occurring by the end of August 2026. Chorus' obligations remain the same as pre-sale but those obligations will be owed to a number of parties not just NIFF.

Governance & 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, 21 August 2026.

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 third group Climate Statements prepared under Aotearoa New Zealand's mandatory climate-related disclosures regime. Chorus Limited is a climate reporting entity under the regime for the purposes of the Financial Markets Conduct Act 2013 (**FMCA**). A copy of the FY26 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). 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 2026 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.

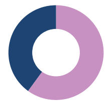
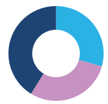
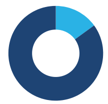
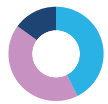
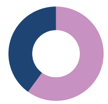
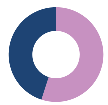
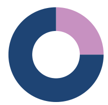
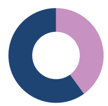
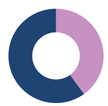
Due to Chorus' succession planning, Chorus has at least one director standing for re-election each year. Mark Cross, Sue Bailey and Will Irving stood for re-election at the Annual Shareholders' Meeting (**ASM**) in 2025. Kate Jorgensen is due to stand for re-election at the 2026 ASM.

Jack Matthews intends to retire from the Board in October 2026 after serving on our Board for nine years. Board succession is an ongoing topic to ensure we plan for the retirement of directors and are bringing needed skills onto the board in line with our strategy.

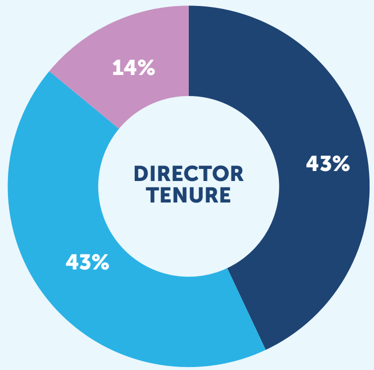
DIRECTOR	APPOINTED	LAST ELECTED AT ASM
Mark Cross	2016	2025
Sue Bailey	2019	2025
Will Irving	2022	2025
Miriam Dean	2021	2024
Neal Barclay	2024	2024
Kate Jorgensen	2020	2023
Jack Matthews	2017	2023

Expertise and experience matrix

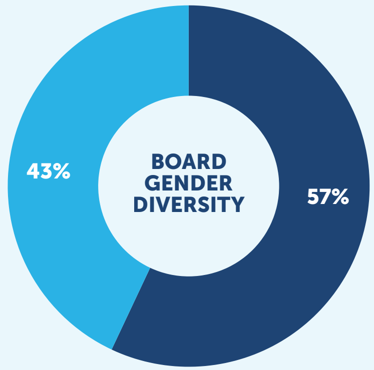
The following table reflects the strengths of the current Board based on a mix of key skills and experiences that are currently relevant for Chorus.

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.	

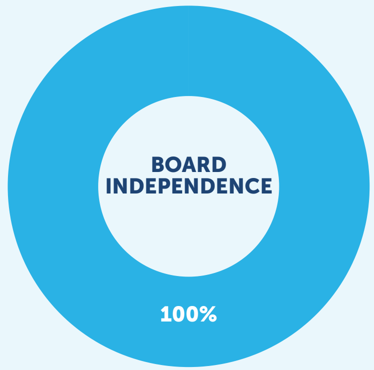
SOME EXPERIENCE MODERATE EXPERIENCE SUBSTANTIAL EXPERIENCE



0-3 YEARS 4-6 YEARS 6+ YEARS



FEMALE MALE



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[1] 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 and non-financial reporting	• Approving Chorus' financial statements • Overseeing the integrity of Chorus' accounting and corporate reporting systems including liaising with Chorus' external auditor • Overseeing Chorus' non-financial reporting
Monitoring Management's performance and succession planning	• Considering the appointment, replacement and performance of the CEO • Considering the appointment and replacement of the CFO/COO 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	• Adopting and 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

1 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: 2025 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:
Board member and investment committee chair – Accident Compensation Corporation (ACC); Chair – Milford Asset Management; Director – Z Energy, Genesis Energy, Argosy Property.

Current roles outside Chorus:
Chair - Vocus Group (Australia); Director and Audit & Risk Committee Chair – Xero; Director and Audit & Risk Committee Chair – Fisher & Paykel Healthcare.

Sue Bailey

Joined: 31 October 2019
Last elected: 2025 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 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:
Chief Executive - Meridian Energy (January 2018 until 30 June 2025). Joined Meridian in 2008 as Chief Financial Officer. Subsequently led the significant operational parts of the business as General Manager Generation, Wholesale and Renewable Development and then General Manager Retail. Prior to Meridian, Neal spent 13 years at Telecom New Zealand in a number of senior finance leadership roles.

Current roles outside Chorus:
Director – Air New Zealand; Director - Ngai Tahu Holdings Corporation.

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 Delivery; Director – National Infrastructure Funding and Financing (previously Crown Infrastructure Partners); Chair – NZ on Air; Deputy chair – Auckland Council Investments; Deputy chair – Commerce Commission; Chair – Banking Ombudsman Scheme.

Current roles outside Chorus:
Board member – Auckland Transport (Interim) Board; Deputy chair – Real Estate Institute of New Zealand; Trustee Auckland University Foundation; Member of several government-related advisory boards.

Our Board (continued)

(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.

Will Irving

Joined: 26 October 2022
Last elected: 2025 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:
Chief Strategy and Transformation Officer – NBN Co Limited (company established to design, build and operate Australia's wholesale broadband access network); 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 Strategic Transactions Advisor (part time) – NBN Co Limited; Director - Australian Institute of International Affairs (Victorian Division).

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 strategic, commercial, financial, and audit experience, with several senior leadership positions within the telecommunications, infrastructure, and construction industries in New Zealand. 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);
Trustee - Harbour Hospice Trust and Harbour Hospice Development Foundation.

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 – National Infrastructure Funding and Financing (previously Crown Infrastructure Partners/Crown Fibre Holdings), 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)

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 79.

A summary of current directors' skills, experience and qualifications is set out on pages 81 and 82, 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 transitioning to an all-fibre future, connecting customers, delivering excellent customer experience as well as future connectivity and non-regulated revenue opportunities. Our Board considers it 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. No directors were appointed by our Board during FY26.

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. 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 97 and in the 'Our Enablers' section of this report under the 'Future-fit Connectivity' and 'Equitable Connectivity' headings on pages 28-35.

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.

Our Board (continued)

Review and evaluation of Board performance

(NZX Code Recommendation 2.7)

Our Board evaluates its performance each year. As part of this process, our chair meets with directors individually to discuss their performance. Our Board undertook an external Board performance evaluation this year. The review confirmed that our Board is operating well, with actions identified to further enhance our governance focus and outcomes.

Our Board also 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 2026, 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, that 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 Chorus' strategic direction and performance.

Implementation of our Board approved strategy, business plan, risk and governance frameworks, and responsibility for developing our culture, health and safety and sustainability 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 2026, 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 2026			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	–	–	–	–
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	–	–	–	–
Kate Jorgensen	12,975	Registered holder and beneficial owner	–	–	–	–
Jack Matthews	20,631	Registered holder and beneficial owner	750	On market acquisition	$7,267.50	24 February 2026

As at 30 June 2026, 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 2026			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 2026

Mark Cross	Became a director of Vocus Group Limited (Australia)[2] Retired as a board member of Accident Compensation Corporation[3]
Sue Bailey	None
Neal Barclay	Became a director of Ngāi Tahu Holdings Corporation Limited[4]
Miriam Dean	Retired as a director of Banking Ombudsman Scheme Limited[5] Retired as a director of Crown Infrastructure Delivery[6] Became a board member of Auckland Transport (Interim) Board[7]
Will Irving	Became a director of Australian Institute of International Affairs (Victorian Division)[8]
Kate Jorgensen	Retired as a director of Southern Cross Medical Care Society[9]
Jack Matthews	Became a director of Lodestone Construction Limited[10] Became a director of Lodestone LP Holdings Limited[11] Became a director of Lodestone Management Services Limited[12]

2 From 4 August 2025
3 From 18 December 2025
4 From 01 January 2026
5 From 31 December 2025
6 From 06 October 2025
7 From 02 March 2026
8 From 17 November 2025
9 From 30 September 2025
10 From 17 November 2025
11 From 02 February 2026
12 From 02 February 2026

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 2026

(NZX Code Recommendation 2.4)

	REGULAR BOARD MEETINGS	OTHER BOARD MEETINGS[13]	ARMC	PPCC
TOTAL NUMBER OF MEETINGS HELD[14]	**6**	**4**	**5**	**4**
Mark Cross	6	4		
Sue Bailey	6	4		4
Neal Barclay	5	4	5	
Miriam Dean	6	4		4
Will Irving	6	4	5	
Kate Jorgensen	6	4	5	
Jack Matthews	6	3		3

13 Includes dedicated Board education, and strategy and business planning meetings. Directors also have health and safety site visits each year.
14 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. In addition, directors who are not Committee members may may attend Committee meetings as observers but when this occurs, attendance is not captured in the table.

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 financial and non-financial risk, financial management, accounting, audit and financial reporting
Members	Kate Jorgensen (Chair), 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	Sue Bailey (Chair), Miriam Dean, Jack Matthews
Independence	All committee members are non-executive independent directors
Responsibilities	• Reviewing people and remuneration strategies, structures and policies • Approving annual remuneration increase approach and budget • 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 and their terms of employment (except our CFO/COO and General Counsel whose appointment is approved by our Board) • 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.

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
- Workplace relationships
- 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, employees and contractors with access to Chorus IT systems. Employees are encouraged to report unethical behaviour, and multiple channels are available to them to do so. Additionally, all employees and directors are asked annually to register any potential conflicts of interest.

Bribery and gifts

Acceptance of bribes, or gifts and other benefits which could be perceived as influencing decisions, are prohibited under our codes of ethics. We have a specific Gifts and Entertainment policy for employees. Gifts and entertainment over $150 require approval and internal reporting.

Chorus is not involved in any ongoing bribery and corruption cases, and no fines or settlements were incurred for anti-competitive business practices in FY26. Our Supplier Code of Practice requires suppliers to comply with laws relating to anti-bribery and corruption. This includes bribery, abuse of power, extortion, fraud, deception, collusion, cartels, and embezzlement.

Anti-bullying, harassment, and discrimination

Chorus is committed to a psychologically and physically safe working environment, and takes a zero-tolerance approach to bullying, harassment, and discrimination.

All new starters take workplace training as part of their induction. Chorus' policies and codes, including our Supplier Code of Practice and internal Anti-Bullying, Harassment & Discrimination Policy, reflect legislation, such as the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993, prohibiting discrimination and protecting a number of rights including the right to freedom of expression, freedom of association and freedom of movement.

Ethical standards (continued)

Whistleblowing and fraud

The Protected Disclosures (Protection of Whistle-blowers) Act 2022 provides enhanced legislative protection for employees who notify an appropriate authority about serious wrongdoing in, or by, an organisation.

We encourage confidential reporting of serious misconduct or wrongdoing and suspected fraud or corruption. Chorus has a number of internal reporting channels with anonymous reporting also available via a dedicated whistle-blower email address and phone number provided by PwC.

Reporting channels are available to all employees and contractors. In addition, there is a dedicated email address available for reporting suspected fraud.

Chorus did not receive any reports of serious instances of unethical behaviour by our employees in the year to 30 June 2026.

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

Ethical supply chain

Given the rapid change within the telecommunications industry, Chorus focuses on building enduring relationships with our suppliers that deliver value to both parties and encourage innovation. Chorus considers a range of sustainability-related criteria when evaluating potential suppliers, including environment, health and safety, worker welfare and corporate reputation, as applicable.

Chorus encourages suppliers to go beyond legal compliance, drawing on internationally recognised standards where appropriate to advance social, labour and business ethics.[15] We do this primarily through regular and consistent engagement, and through weighted evaluation criteria in tenders or market exercises. Our commercial team administers our Supplier Code of Practice, which is incorporated into supplier contracts, and has governance oversight from the Board.

See: company.chorus.co.nz/about/contracts-and agreements/suppliers.

Privacy

As a wholesale network operator, Chorus generally does not sell telecommunications services directly to end customers or bill them directly. This means we hold less personal information than the RSPs who use our network to provide services directly to their customers.

Chorus protects and manages personal information in line with the requirements of the New Zealand Privacy Act 2020 and the Telecommunications Information Privacy Code 2020 that sets out additional rules for the telecommunications sector. A copy of our privacy policy is available on our website.[16]

Chorus' privacy policy has a process for access and correction of personal information. Requests can be made by contacting privacy@chorus.co.nz. Where appropriate, a rectification request may result in correction or deletion of incorrect or dated personal information.

We take our privacy obligations seriously and have a group of subject matter experts that sit under the Privacy Officer and respond to privacy requests, assist the business with privacy assessments on our supply contracts, customer initiatives and other proposals that utilise personal information held by Chorus. They are also responsible for keeping privacy policies and employee training up to date.

Our Privacy Officer and his team is also responsible for implementing our privacy framework within Chorus' wider risk management framework. They promote awareness of our privacy systems and processes and escalate matters to the Executive team as required. Regular privacy training is compulsory for employees and contractors who have access to Chorus IT systems. Tailored training for teams that regularly deal with personal information is run as required.

We provide personal information to third parties in limited circumstances as outlined in our privacy policy.

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.

15 For example, principles in respect of labour and human rights under the UN Global Compact and Universal Declaration of Human Rights– for more information, see Chorus' Supplier Code of Practice.
16 https://www.chorus.co.nz/legal/privacy-policy

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 whistleblowing. The governance section can be found at 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)

This Annual Report adopts integrated reporting principles, and has been prepared with reference to the Integrated Financial Reporting Framework. It includes information on our sustainability strategy, including our environmental and resiliency focus, our commitment to strengthening digital capability in Aotearoa New Zealand, and our commitment to helping our people thrive. Page 14 sets out our value creation model, which reflects the ecosystem (relationships and resources) that Chorus relies on to create value. Our 'Our Enablers' section provides further detail on how we maintain, strengthen and protect this ecosystem, supporting our ability to deliver value over the long-term.

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

Our approach to tax

We recognise that responsible tax conduct is important to maintaining the confidence of our shareholders and wider stakeholders. We have a low tolerance for tax risk and seek to adopt technically robust and well-documented tax positions. Our approach is underpinned by a strong tax governance framework, including effective compliance controls designed to ensure correct and timely filing and payment. We seek external advice where material tax matters are uncertain or unusual. We engage proactively, openly and transparently with Inland Revenue, including by seeking rulings or other guidance, where appropriate.

Letter from Chair of the People, Performance and Culture Committee

On behalf of the People, Performance and Culture Committee (**PPCC**), I am pleased to provide an overview of Chorus' remuneration outcomes and key developments in our remuneration framework during the year.

FY26 was a year of solid performance across Chorus' key strategic and financial measures. The Board approved a company performance multiplier of 1.05 reflecting performance that was largely in line with expectations but exceeded targets in some areas. This demonstrates our commitment to a remuneration framework that appropriately rewards performance. Further details on our company scorecard and the multiplier outcomes are set out on page 93.

In response to investor feedback we have enhanced our remuneration disclosures this year, providing greater transparency on the outcomes of our Short-Term Incentive (**STI**) and the performance hurdles for our Long-Term Incentive (**LTI**) scheme.

Incentive Disclosures

STI - we have expanded our disclosure on how company scorecard results are assessed and translated into the company performance multiplier that contributes to the STI outcomes for the CEO, Executive Team and Senior Employees.

For FY26, we also reviewed the maximum individual performance multiplier for Senior Employees and reduced it from 1.40 to 1.25 to align with that of Executives, resulting in a consistent maximum individual multiplier of 1.25 across the STI scheme. This change was made to simplify the plan design with a consistent approach to recognising exceptional individual performance regardless of organisational level.

LTI - As noted in our FY25 report, the Board reviewed the LTI performance hurdles and introduced a relative Total Shareholder Return (**rTSR**) measure for the FY26 grant, comparing Chorus' performance against the S&P/NZX Morrison Index that tracks performance of New Zealand's 10 largest infrastructure companies. The LTI is now equally weighted between an absolute Total Shareholder Return (**aTSR**) and the relative Total Shareholder Return, reflecting Chorus' evolution from a building to an operating infrastructure company. Enhanced disclosures of both the performance hurdles, metrics and associated vesting outcomes are provided on page 94.

CEO remuneration

In FY26, the CEO achieved a short-term incentive outcome of 69% of the maximum opportunity. This outcome reflected the solid delivery of Chorus' business objectives during the year, together with the CEO's strong individual performance against agreed strategic and leadership goals.

Following a market review and benchmarking against a relevant peer group, the CEO's base salary has been increased by 3.5% for FY27. This increase is consistent with the remuneration review budget approved and applied across Chorus, reflecting the Board's commitment to maintaining a fair and market-aligned remuneration framework.

The Board has also approved a change to the CEO's target incentives for FY27 to ensure the CEO's overall Total Target Package (fixed remuneration plus target incentives) is at the market median, consistent with Chorus' remuneration policy. A summary of the CEO's FY27 package is available on page 95.

Gender Pay Equity

Gender pay equity is a key area of focus for the Committee. To support fair and consistent remuneration outcomes, we introduced a competency assessment framework across all career levels. This approach means increases in remuneration are based on demonstrated role competency, providing greater confidence that employees are rewarded equitably according to their level of competence in role, irrespective of gender.

Chorus has worked throughout FY26 to ensure employees are paid within range for their competency assessment, with an initial focus on closing any identified gaps in lower paid career levels. This work will continue throughout FY27 to close any gaps in higher career levels.

This process is one initiative that has supported positive progress in reducing our gender pay gap, which decreased from 16.9% in FY25 to 14.0% in FY26.

Our commitment to diversity, equity and inclusion continued to be recognised during FY26. Chorus achieved the highest possible Advanced rating across all seven competencies in Te Uru Tangata's Aotearoa Inclusivity Matrix (AiM), received a Highly Commended award at the Diversity Works Awards, and achieved a Leading rating in the Gender Tick programme, becoming only the second organisation in New Zealand to do so.

Future Focus

Looking ahead, the Committee will continue to review remuneration arrangements so that they remain aligned with Chorus' strategy, market practice and shareholder expectations. This includes maintaining focus on gender pay equity and that our remuneration practices support fair and equitable outcomes for our employees.

The Committee believes the remuneration outcomes for FY26 appropriately reflect both company and individual performance and are aligned with the interests of shareholders. We remain committed to maintaining a remuneration framework that supports the delivery of Chorus' strategy while attracting and retaining the people required for long-term success.

On behalf of the Committee, I would like to thank our people for their commitment, expertise and contribution throughout the year. Their dedication to delivering for our customers, communities and shareholders continues to underpin Chorus' success.

Sue Bailey
Chair of People, Performance and Culture Committee

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 87 for more information about the PPCC.

There were no material changes to Chorus' remuneration strategy or policy in FY26. Our policy is designed around six guiding principles:

CHORUS REMUNERATION PRINCIPLES	
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.
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.
Valued by Our People	We listen to our employees and design reward offerings that are relevant, flexible, and appreciated—supporting wellbeing and personal choice.
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.
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.
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 (available at company.chorus.co.nz/about/governance) 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 performance, competency in role, and their current position when compared to the market.

Short term incentive

Senior employees were invited to participate in the FY26 STI scheme. The FY26 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 (50% for FY26 - see page 96 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 all eligible employees including the CEO.

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 FY26 STI measures, see Figure 1 on page 93.

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 strategy.

The Board also provides a discretionary CEO fund to recognise exceptional performance by individuals not in the current STI scheme.

Remuneration and performance (continued)

Short term incentive (continued)

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 $26,250 depending on the level of company performance (0× to 1.4× multiplier) multiplied by their individual performance (0× to 1.25× multiplier).

In FY26 we introduced a "how "dimension to performance assessments. Individual performance is assessed by what employees achieve against their goals and how they demonstrate the Chorus mindsets and behaviours.

FIGURE 1:

FY26 STI Targets and Results

		FY26 TARGET	FY26 ACTUAL	FY26 ACHIEVED
40%	Gateway hurdle of $710m EBITDA met **EBITDA less Sustaining Capex:** The multiplier for this measure reflects company EBITDA performance relative to target thresholds set each year. So the multiplier is 0x if the company's EBITDA falls below the bottom threshold, but increases through the different target ranges to up to 1.4x if the company exceeds the top threshold.	$510m	$514m	**Exceeded target** (1.07 multiplier)
15%	**Revenue growth:** Grow FY25 revenue by at least 1.7% As above, the multiplier for this measure reflects revenue growth relative to target thresholds set each year. So the multiplier is 0x if the company's revenue growth falls below the bottom revenue growth threshold, but increases through the different target ranges to up to 1.4x if the company exceeds the top threshold.	$1,023m	$1,025m	**Exceeded target** (1.07 multiplier)
10%	**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** (0.90 multiplier)
20%	**Customer experience[17]:** Consumer Fibre Assure Customer Satisfaction target of 8.5/10 Consumer Fibre Intact Customer Satisfaction target of 8.1/10	8.5/10 Assure 8.1/10 Intact	8.6/10 8.1/10	**Exceeded target** (1.20 multiplier) **Met target** (1.00 multiplier)
15%	**People & Safety:** Employee experience - Engagement – top 25% of technology benchmark H&S – Chorus critical risks remain in tolerance or where out of tolerance a time-bound remediation plan is agreed within 20 days and 100% implemented[18]	Top 25% H&S risks in tolerance	Top 25% In tolerance	**Met target** (1.00 multiplier) **Met target** (1.00 multiplier)
				Total multiplier: 1.05

17 Our Customer Experience strategy for FY26 remains a key focus, with targets increased from FY25 for both fibre assure (fault restoration) and fibre intact (getting and keeping services working as expected). Please refer to page 18 for more detail on our targets and customer satisfaction initiatives.

18 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.

Remuneration and performance (continued)

Long term incentive

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 further in Note 16 of the financial statements on page 66.

The LTI scheme for the 2025 grant has both an absolute shareholder return component (aTSR) and a relative shareholder return component (rTSR) both weighted at 50%.

The aTSR remains as a blended total shareholder return rate that reflects the regulated weighted average cost of capital 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 is 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. The vesting thresholds for the August 2025 grant are outlined in Figure 2. No more than 100% of the aTSR tranche can vest.

Figure 2: Chorus' absolute shareholder return (aTSR) vesting thresholds

Chorus absolute performance	Vesting
Chorus' TSR is below the weighted cost of equity (CoE). For the August 2025 grant, this means below 8.38% on an annualised basis compounding.	0% of aTSR share rights vest
Chorus' TSR is at the weighted CoE. For the August 2025 grant, this means at 8.38% on an annualised basis compounding.	50% of aTSR share rights vest
Chorus' TSR is between weighted CoE and the weighted CoE plus 0.75% stretch target. For the August 2025 grant, this means between 8.38% and 9.13% on an annualised basis compounding.	Linear vesting
Chorus' TSR is at or above the weighted CoE plus 0.75% stretch target. For the August 2025 grant, this means at or above 9.13% on an annualised basis compounding.	100% of aTSR share rights vest

The rTSR tranche uses the S&P/NZX Morrison Index (of New Zealand's 10 largest infrastructure companies) 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. The vesting thresholds for the 2025 LTI are outlined in Figure 3. No more than 100% of the rTSR tranche can vest.

Figure 3: Chorus' relative shareholder return (rTSR) vesting thresholds

Chorus relative performance	Vesting
Below the 50th percentile	0% of rTSR share rights vest
At the 50th percentile	50% of rTSR share rights vest
Between 50th and 75th percentile	Linear vesting
At or above the 75th percentile	100% of rTSR share rights vest

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:

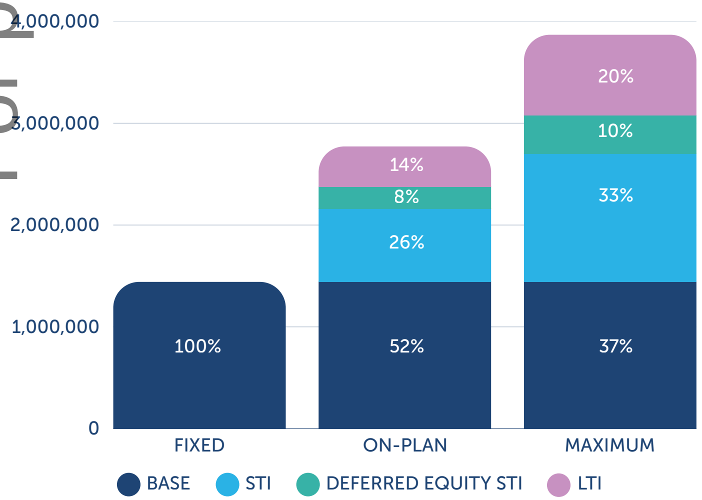
- either he or Chorus giving six months' notice in writing;
- Chorus without notice in the case of serious misconduct, serious breach (including substantial non-performance) or other cause justifying summary dismissal; or
- Chorus immediately, if our Board forms the view that substantial incompatibility 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 FY27 remuneration package

The scenario chart below outlines the elements of the CEO remuneration package for Mark Aue for FY27. The increase to incentives includes an equity based STI, with a 2-year deferral period and an increase to the LTI grant.

The on-plan scenario includes on-target STI (both cash and deferred equity) 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 FY25 AND FY26:

CEO		FIXED REMUNERATION[19]	STI	LTI	TOTAL REMUNERATION
Mark Aue	FY26	$1,390,241	$839,559[20]	–	$2,229,800
Mark Aue	FY25	$1,302,125	$747,500[21]	–	$2,049,625
J B Rousselot	FY25	–	–	$668,823	$668,823

Other benefits paid to Mark Aue: Chorus KiwiSaver contribution FY25 $55,536 / FY26 $65,539.

FIVE YEAR SUMMARY OF CEO REMUNERATION:

CEO		TOTAL REMUNERATION	% STI AWARDED AGAINST MAXIMUM	% LTI AWARDED AGAINST MAXIMUM	SPAN OF LTI PERFORMANCE PERIOD
Mark Aue	FY26	$2,229,800	69%	–	2025-2028
	FY25	$2,049,625	66%	–	2024-2027
	FY24[22]	$469,832	82%	n/a	—
J B Rousselot	FY25[23]	$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%	—	—

19 Fixed remuneration paid during the period.
20 FY26 STI was earned in FY26 but due to be paid in FY27.
21 FY25 STI was earned in FY25 but paid in FY26.
22 Pro-rated from start date of 15 April 2024.
23 Remuneration only includes the value of the 2021 LTI that vested.

Remuneration and performance (continued)

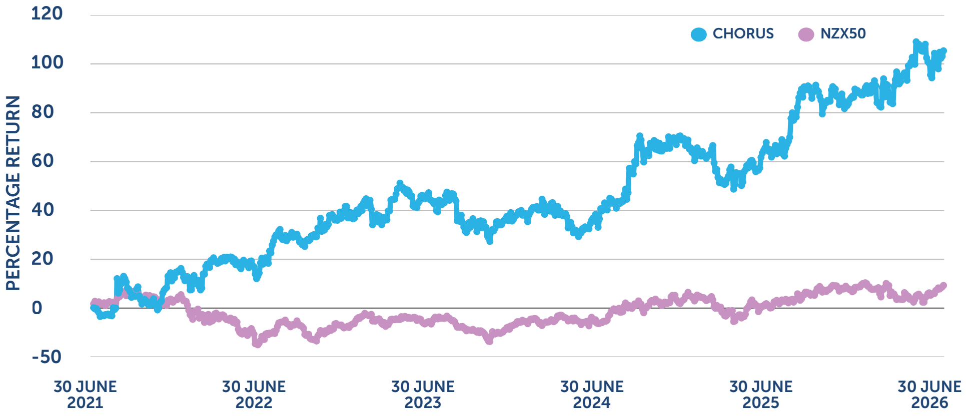
CEO STI & LTI Schemes

MARK AUE

The table below outlines Mr Aue's STI and LTI schemes for the period ending 30 June 2026.[24]

	DESCRIPTION	PERFORMANCE MEASURES	% ACHIEVED
STI	Set at 50% of base remuneration. Based on key financial and non-financial perfomrance measures.	• Company performance - see FY26 STI Targets on page 93 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.	69%
LTI 2025	Three-year grant made August 2025, equivalent to 55% of base salary.	• 50% - Chorus TSR performance over the grant period must be between 8.38% and 9.13% on an annualised basis compounding.[25] • 50% - Chorus TSR performance over the grant period must be at or above the 50th percentile of the S&P/NZX Morrison Index [26]	Assessed August 2028. No re-testing.
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[27]	Assessed August 2027. No re-testing.

TOTAL SHAREHOLDER RETURN (TSR) PERFORMANCE



The graph above shows Chorus' TSR performance against the NZX50 between 30 June 2021 and 30 June 2026. Source: Bloomberg and NZX.

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).

Minimum Shareholding Policy

To further align executive and shareholder interests, a minimum shareholding policy was introduced in 2019. The CEO and Executives are expected to hold, as a minimum, Chorus shares equivalent to the after-tax value of one full year's long term incentive grant. Our Board-approved policy allows an Executive to accumulate this holding over the first five years of employment as an Executive. The Chair retains the discretion to amend the minimum holding thresholds or time period for any or all Executives.

24 The STI payment earned in FY26 will be paid in FY27.
25 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.
26 For details on the vesting schedules refer to the Long Term Incentive section on page 94.
27 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.

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).

There have been no changes in the gender ratio at director level in FY26 with four male and three female directors at 30 June 2026 (30 June 2025: 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 2026 (30 June 2025: six males and three females).

The Board remains firmly committed to supporting Chorus' D,E&I objectives and annually reviews progress against measurable outcomes. During the year, Chorus maintained focus on equitable outcomes, accountability and the integration of inclusive practices across the business. Chorus' efforts have been recognised externally, reinforcing our long-term commitment to creating an inclusive workplace where all employees have the opportunity to succeed. Acknowledging that meaningful change requires ongoing effort, the Board is pleased by the continued progress, including sustained advancements in gender equity and broader inclusion outcomes, that support Chorus' culture, performance, innovation and long-term success.

Median Pay Gap

The median pay gap is 9.86 times and represents the number of times greater the CEO's base salary is to an employee paid $141,031 (i.e. the median of all Chorus employees). The gap is 14.77 times when including the FY26 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. We calculate our Gender Pay Gap as the difference between the median hourly earnings of men and women, expressed as a percentage of median male earnings. At a company level, this compares the earnings of all women and men across the organisation, regardless of role.

Our Gender Pay Gap decreased from -16.9% to -14.0% during the year, and we are on track to achieve our goal of -10% (or less) by FY29. The aggregate total of -14.0% reflects a higher proportion of males in senior roles.

In 2025 we introduced a competency assessment within our career framework that enables us to identify and address inequity at a more granular level and ensure consistency across comparable roles. We have revised gender pay gap measures to ensure accountability, gender data and pay equity insights are reported regularly to senior leaders.

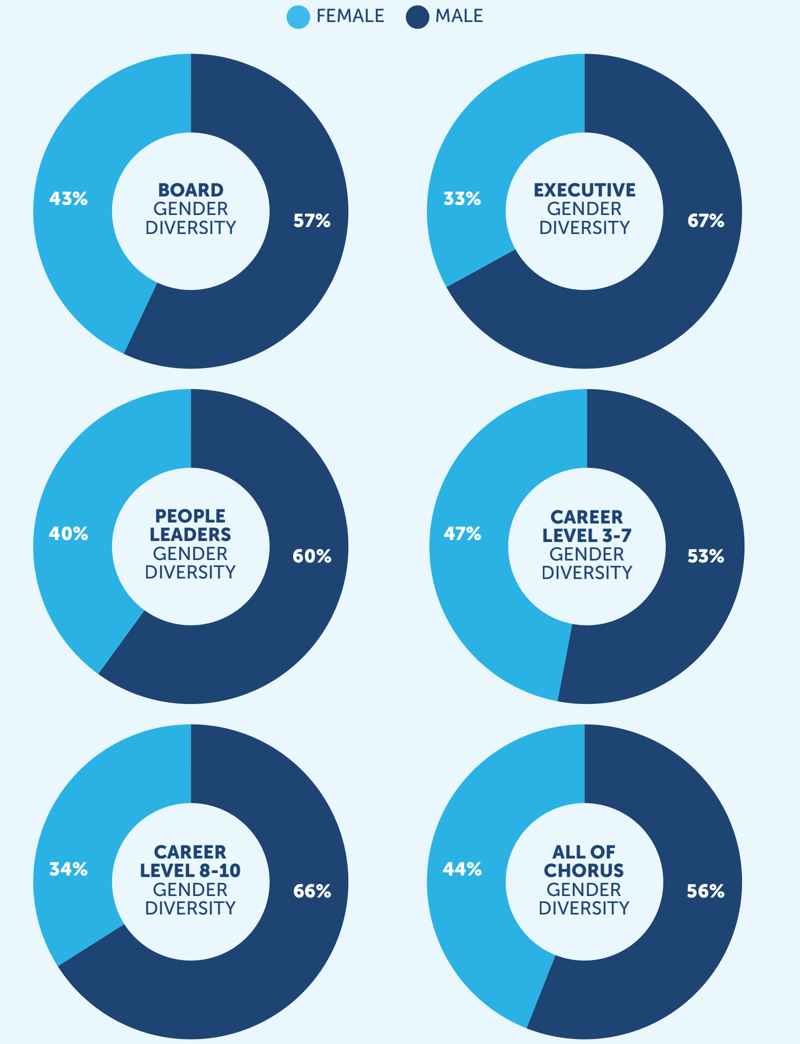
We have met our 40:40:20 gender ratio[28] in three of our five people categories, including a 3% increase of females in our people leader population in FY26.

For more information on our D,E&I initiatives, refer to the 'Our Enablers' section of this report at page 24.

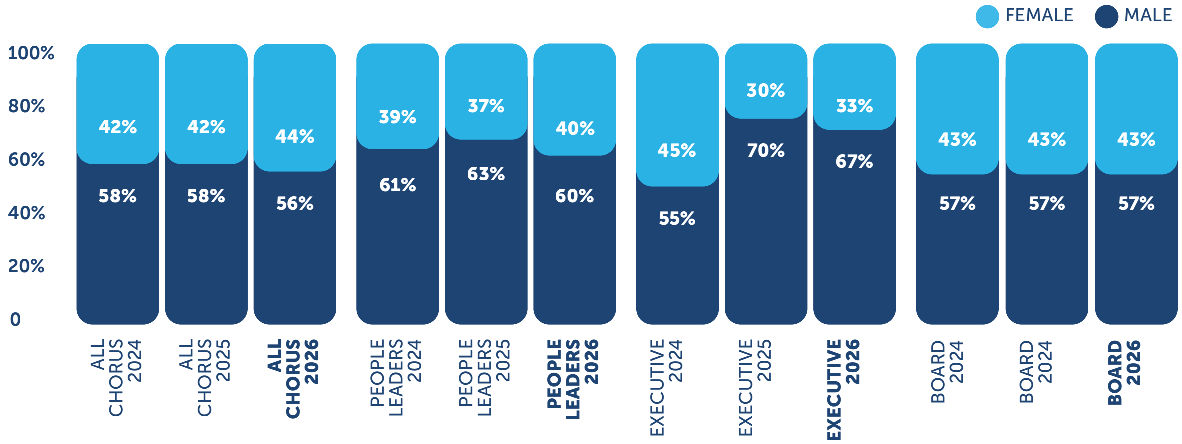
28 Chorus targets a gender split of 40% male, 40% female, 20% of any gender.

Remuneration and performance (continued)

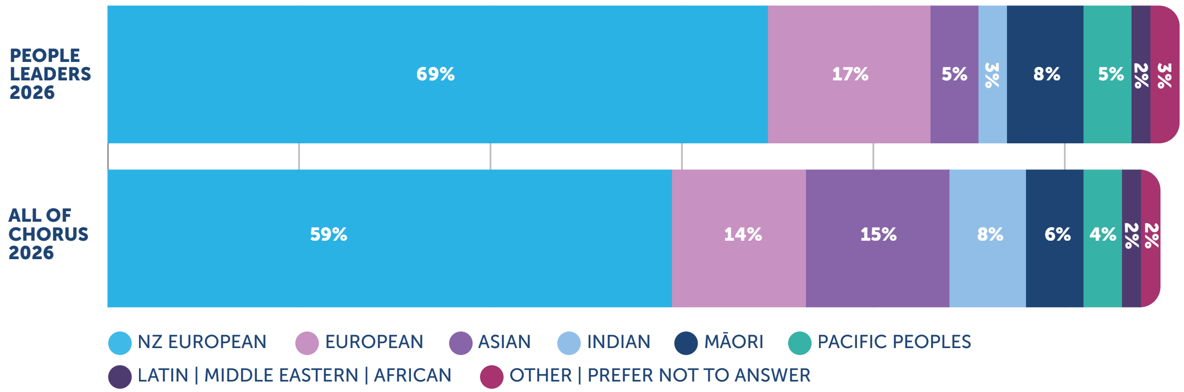
Gender split at all levels of the organisation



Gender by role - FY24-FY26 (as at 30 June 2026)[29]



Voluntary ethnicity reporting by role - FY26 (as at 30 June 2026)



NOTES:
These two % columns add up to more than 100% because our people can choose up to three ethnicities that they identify as. Where someone has identified as more than one ethnicity, they are represented in each of their choices.

29 Please note that our 2024 and 2025 gender statistics were as at 30 April. For FY26, we have moved to a 30 June reporting date.

Remuneration and performance (continued)

Employee remuneration range during the year ended 30 June 2026

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 exceeded $100,000 during the year ended 30 June 2026, in brackets of $10,000, as required by the Companies Act 1993.

This includes STI and LTI paid during FY26, 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 (increased to 3.5% from 1 April 2026).

The remuneration paid to, and other benefits received by, Mark Aue in his capacity as CEO are detailed on page 95.

As at 30 June 2026, Chorus does not have any permanent employee earning less than the 1 September 2025 Living Wage of $28.95 per hour.

ACTUAL PAYMENT	COUNT
2,130,000 - 2,140,000	1
810,000 - 820,000	1
640,000 - 650,000	2
600,000 - 610,000	1
590,000 - 600,000	1
560,000 - 570,000	1
530,000 - 540,000	1
520,000 - 530,000	1
450,000 - 460,000	1
440,000 - 450,000	1
420,000 - 430,000	1
410,000 - 420,000	1
400,000 - 410,000	1
380,000 - 390,000	3
370,000 - 380,000	4
360,000 - 370,000	1
350,000 - 360,000	2
340,000 - 350,000	1
330,000 - 340,000	1
320,000 - 330,000	2

ACTUAL PAYMENT	COUNT
310,000 - 320,000	7
300,000 - 310,000	2
290,000 - 300,000	7
280,000 - 290,000	2
270,000 - 280,000	10
260,000 - 270,000	8
250,000 - 260,000	10
240,000 - 250,000	14
230,000 - 240,000	11
220,000 - 230,000	25
210,000 - 220,000	18
200,000 - 210,000	14
190,000 - 200,000	20
180,000 - 190,000	21
170,000 - 180,000	34
160,000 - 170,000	43
150,000 - 160,000	54
140,000 - 150,000	40
130,000 - 140,000	57
120,000 - 130,000	61
110,000 - 120,000	47
100,000 - 110,000	58
Total	**591**

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 2026 was fixed at our 2024 annual shareholders' meeting at $1,365,000.

ANNUAL FEE STRUCTURE	YEAR ENDED 30 JUNE 2026 $	YEAR ENDED 30 JUNE 2025 $
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 2026.

Fees paid to Directors (in their capacity as such) in the year ended 30 June 2026.

DIRECTOR	TOTAL FEES $	BOARD FEES	ARMC	PPCC
Mark Cross	234,833	234,833	–	–
Sue Bailey	143,745	119,700	–	24,045
Neal Barclay	136,815	119,700	17,115	–
Miriam Dean	132,038	119,700	–	12,338
Will Irving	136,815	119,700	17,115	–
Kate Jorgensen	153,930	119,700	34,230	–
Jack Matthews	132,038	119,700	–	12,338
	1,070,214	**953,033**	**68,460**	**48,721**

NOTES:

1 Amounts are gross and exclude GST (where applicable).

2 Mark Cross was appointed as Chair, effective 26 October 2022.

3 Directors did not receive any fees or other benefits for additional work during the year ended 30 June 2026.

4 Directors are entitled to be reimbursed for travel and incidental expenses incurred in performance of their duties in addition to the above fees.

5 The total fee pool available to directors is $1,365,000.

Fee structure from 1 July 2026 - 30 June 2027

Our People Performance and Culture Committee (**PPCC**) reviews non-executive director remuneration annually based on criteria including internal (and from time to time, external) benchmarking analysis. Shareholders agreed to increase the total fee pool available for director remuneration at the 2024 ASM, where it was noted that the increased fee pool would allow for modest wage inflation-level increases on an as required basis in the periods between external benchmarking reviews. The last external review was in 2024 with the next review proposed for 2027.

The Board last approved a 5% increase to the individual Directors' base and committee fees in 2023. For FY27, the Board approved a 5% increase in individual base director and committee fees and a 7% increase to the Board Chair's fees, and has assessed this as reasonable for the three year period since 2023. The proposed increases are consistent with the Board's preference for smaller regular increases over infrequent larger increases to catch up with market movements.

The Board has also approved the alignment of PPCC Chair and member fees with those paid to the ARMC Chair and members. This reflects the equivalent workload, importance and complexity of the matters considered by the PPCC.

These fee increases will apply from 1 July 2026 and be accommodated within the existing director fee pool.

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 team 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 all 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 (including in light of increasing climate-related weather events).
- People and skills risks: Ensuring we select and retain employees with the capabilities to achieve Chorus' strategic objectives and the field service model to deliver our services sustainably.
- 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: Identifying and pursuing innovation and opportunities that will enhance Chorus and react to new technology and AI developments.

Risk management (continued)

In addition to Principal Risks, the Chorus Board or ARMC regularly receive updates on, and discusses the following with the executive team:

- Unforeseen risks, which are 'black swan' events, that have not otherwise been 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. These 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.

Health & safety

(NZX Code Recommendation 6.2)

Investing in our people, partners and their health and safety is a critical part of Chorus' business. The Chorus H&S risk management framework has historically focused on the work our people undertake and the critical risks and controls that need to be in place to ensure their safety. In FY26, Chorus carried out a full review of Chorus' H&S Critical Risk Profile to broaden the focus, combine similar risks and align with industry practice, as well as resetting minimum requirements and assurance expectations for critical controls (those that directly prevent serious harm) for both Chorus and our service providers.

For more information on our health & safety performance and management, and worker welfare at Chorus, see the 'Our Enablers' section on pages 28 and 30.

Cybersecurity

The Board monitors cyber risk closely as threats are relevant to the secure and reliable operation of our network. Chorus has adopted the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) 2.0 as our core controls framework and continues to utilise controls specified from ISO 27001/2 and the New Zealand Information Security Manual (the Aotearoa New Zealand Government's manual on information assurance and information systems security), where appropriate.

Chorus also has CEO-approved policies for information management and control, technology usage and technology security, artificial intelligence, and whistle blowing. These policies help govern our technology strategy and its sub strategies including security, software lifecycle, and technology and service resilience. Our technology framework ensures cybersecurity is addressed through technology selection and adoption, network delivery practices, and ongoing operations and protection of IT systems.

Protecting Chorus' network, business operations, and private and commercially sensitive information is of paramount importance. We utilise a "defence in depth" technology strategy encompassing several multi-layer controls such as 'least privilege' (granting users the minimum access necessary to perform their jobs), multi factor authentication, regular security auditing, vulnerability scanning, and penetration testing.

Our Security Incident Response Plan is part of a wider crisis management framework and sets out how we respond should there be a suspected or confirmed cyber incident.

Depending on the nature or criticality of any incident, Chorus would assess whether Government ministers and/or agencies needed to be engaged. In all instances a post incident review is conducted to identify improvements to our control frameworks.

The ARMC receives cybersecurity reports from the Chief Technology Officer quarterly, with interim updates as required. These are reported back to the Board. Chorus chose to obtain an external audit for alignment with the NIST CSF 2.0 framework in 2024, with programmatic improvements occurring over 2025 as a result.

We also conduct technology audits and penetration testing exercises periodically or for any material technology changes. Chorus monitors all material changes in the technology environment, including access control. Areas containing personal or sensitive data are protected and monitored for change with automatic alerting. Egress gateways such as email, Internet and/or removable devices are monitored for unauthorised or inappropriate transfers. Access controls and encryption are applied to systems identified as containing sensitive information.

Chorus' Security Officers test the businesses security incident response and liaise with the National Cyber Security Centre (**NCSC**) on advanced cyber threats. Chorus also undertakes incident exercises and vulnerability audits, including external parties, in parallel with internal real-time scanning of systems.

All people with access to Chorus' corporate network undergo mandatory cyber awareness training on issues such as phishing and malware. Employees also receive mandatory training on privacy and information management, and on Chorus' regulated information management obligations. Chorus' procurement processes ensure that suppliers are selected, contracted, and managed to protect sensitive data required to meet our information security standards and policies.

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 FY26 period for the purpose of our FY26 Climate Statements. During FY26, KPMG also provided assurance-related services in connection with Chorus's debt issuance.

KPMG did not provide any non-audit or non-assurance services in the year to 30 June 2026. 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 an internal audit function supported by external advisors to provide additional resource and specialist expertise as required. PwC was the co-source provider for FY26. 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 shareholders' 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 online.

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.

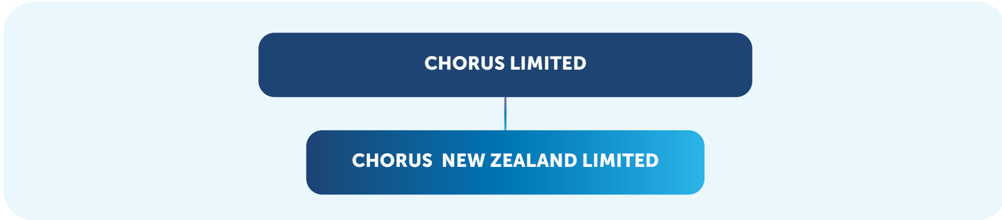
Shareholders are also able to ask questions of, and express their views in respect of, our Board, management and auditors (including via appointed proxies) at and before annual meetings.

We encourage shareholders to communicate with us and our share registrar electronically - more information and contact details are available at company.chorus.co.nz/investors/services/your-shareholding.

Additional disclosures

Group structure

As at 30 June 2026, 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 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 110.

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

There were no director changes in the year to 30 June 2026. Jack Matthews has decided to retire as a director, effective at the October Board meeting scheduled for 28 October 2026.

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 2026. 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. These approvals currently include:

- 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 2026

HOLDING	NUMBER OF HOLDERS	TOTAL NUMBER OF SHARES HELD	% OF SHARES ISSUED
1 - 1,000	9,668	4,035,557	0.93
1,001 - 5,000	5,438	13,429,644	3.10
5,001 - 10,000	1,407	10,067,910	2.32
10,001 - 100,000	960	21,233,139	4.89
100,001 Over	77	385,121,044	88.76
TOTAL	**17,550**	**433,887,294**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $1,000.00 parcel at $10.00 per unit	100	452	15,970

SUBSTANTIAL HOLDERS

As at 30 June 2026, we have received substantial product holder notices from shareholders as follows:

	NOTICES RECEIVED AS AT 30 JUNE 2026	
	NUMBER OF ORDINARY SHARES HELD	% OF SHARES ON ISSUE
UniSuper Limited	80,121,058	18.47%
The Vanguard Group, Inc	23,752,155	5.47%

Additional disclosures (continued)

Twenty largest shareholders as at 30 June 2026

RANK	HOLDER NAME	HOLDING	%
1	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	81,690,397	18.83
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	52,396,113	12.08
3	JP MORGAN NOMINEES AUSTRALIA LIMITED	50,242,063	11.58
4	CITICORP NOMINEES PTY LIMITED	29,458,308	6.79
5	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	25,872,194	5.96
6	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	12,426,628	2.86
7	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	10,663,583	2.46
8	CUSTODIAL SERVICES LIMITED <A/C 4>	9,670,457	2.23
9	ACCIDENT COMPENSATION CORPORATION - NZCSD <ACCI40>	8,414,632	1.94
10	NEW ZEALAND DEPOSITORY NOMINEE LIMITED <A/C 1 CASH ACCOUNT>	8,175,235	1.88
11	HSBC NOMINEES A/C NZ SUPERANNUATION FUND NOMINEES LIMITED - NZCSD <SUPR40>	8,013,173	1.85
12	BNP PARIBAS NOMS PTY LTD	8,010,553	1.85
13	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD <TEAC40>	7,803,361	1.80
14	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED <NZCSD> <NZPT44>	7,625,266	1.76
15	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <HKBN90>	7,563,552	1.74
16	JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	7,015,512	1.62
17	SIMPLICITY NOMINEES LIMITED - NZCSD	5,943,379	1.37
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	5,166,690	1.19
19	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED	4,248,404	0.98
20	FNZ CUSTODIANS LIMITED	3,706,662	0.85
TOTAL TOP 20 HOLDERS OF ORDINARY SHARES		**354,106,162**	**81.61**
TOTAL REMAINING HOLDERS BALANCE		**79,781,132**	**18.39**

Twenty largest bondholders (December 2027) as at 30 June 2026

RANK	HOLDER NAME	HOLDING	%
1	CUSTODIAL SERVICES LIMITED <A/C 4>	50,919,000	25.46
2	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD <TEAC40>	22,261,000	11.13
3	FNZ CUSTODIANS LIMITED	20,842,000	10.42
4	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	12,940,000	6.47
5	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	11,142,000	5.57
6	NZPT CUSTODIANS (GROSVENOR) LIMITED - NZCSD <NZPG40>	10,335,000	5.17
7	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <HKBN90>	6,600,000	3.30
8	JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	6,290,000	3.15
9	FNZ CUSTODIANS LIMITED <DTA NON RESIDENT A/C>	4,663,000	2.33
10	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD <CHAM24>	4,639,000	2.32
11	JBWERE (NZ) NOMINEES LIMITED <NR USA AIL A/C>	4,426,000	2.21
12	QUEEN STREET NOMINEES LTD NO.1 - NZCSD	3,000,000	1.50
13	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD <HKBN45>	2,800,000	1.40
14	NZX WT NOMINEES LIMITED <CASH ACCOUNT>	2,432,000	1.22
15	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	2,400,000	1.20
16	CUSTODIAL SERVICES LIMITED <A/C 6>	2,385,000	1.19
17	JBWERE (NZ) NOMINEES LIMITED <NR USA A/C>	2,160,000	1.08
18	FORSYTH BARR CUSTODIANS LIMITED <A/C 1 NRLAIL>	2,008,000	1.00
19	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED - RETAIL - NZCSD	2,000,000	1.00
20	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	1,928,000	0.96
TOTAL TOP 20 HOLDERS OF 1.98% FIXED RATE BONDS 02/12/2027		**176,170,000**	**88.08**
TOTAL REMAINING HOLDERS BALANCE		**23,830,000**	**11.92**

Additional disclosures (continued)

Twenty largest bondholders (December 2028) as at 30 June 2026

RANK	HOLDER NAME	HOLDING	%
1	CUSTODIAL SERVICES LIMITED <A/C 4>	114,196,000	22.84
2	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	82,246,000	16.45
3	JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	41,246,000	8.25
4	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	40,577,000	8.12
5	HSBC NOMINEES (NEW ZEALAND) LIMITED O/A EUROCLEAR BANK -NZCSD <HKBN95>	30,239,000	6.05
6	FNZ CUSTODIANS LIMITED	29,629,000	5.93
7	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD <TEAC40>	27,731,000	5.55
8	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	14,574,000	2.91
9	NZX WT NOMINEES LIMITED <CASH ACCOUNT>	9,991,000	2.00
10	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED <NZCSD> <NZPT44>	9,187,000	1.84
11	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	8,752,000	1.75
12	JBWERE (NZ) NOMINEES LIMITED <NR USA A/C>	5,070,000	1.01
13	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD <HKBN45>	4,250,000	0.85
14	PT (BOOSTER INVESTMENTS) NOMINEES LIMITED - RETAIL - NZCSD	3,763,000	0.75
15	FORSYTH BARR CUSTODIANS LIMITED <A/C 1 NRLAIL>	3,695,000	0.74
16	RGTKMT INVESTMENTS LIMITED	3,000,000	0.60
17	FNZ CUSTODIANS LIMITED <DTA NON RESIDENT A/C>	2,791,000	0.56
18	CUSTODIAL SERVICES LIMITED <A/C 12>	2,612,000	0.52
19	INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	2,296,000	0.46
20	JBWERE (NZ) NOMINEES LIMITED <NR USA AIL A/C>	1,917,000	0.38
TOTAL TOP 20 HOLDERS OF 6.38% FIXED RATE BONDS 06/12/2028		**437,762,000**	**87.55**
TOTAL REMAINING HOLDERS BALANCE		**62,238,000**	**12.45**

Twenty largest bondholders (December 2030) as at 30 June 2026

RANK	HOLDER NAME	HOLDING	%
1	CUSTODIAL SERVICES LIMITED <A/C 4>	60,306,000	30.15
2	FNZ CUSTODIANS LIMITED	32,758,000	16.38
3	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD <TEAC40>	16,962,000	8.48
4	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <BPSS40>	14,759,000	7.38
5	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	9,013,000	4.51
6	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	9,004,000	4.50
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>	5,188,000	2.59
10	NZX WT NOMINEES LIMITED <CASH ACCOUNT>	4,366,000	2.18
11	FNZ CUSTODIANS LIMITED <DTA NON RESIDENT A/C>	3,371,000	1.69
12	FORSYTH BARR CUSTODIANS LIMITED <A/C 1 NRLAIL>	2,988,000	1.49
13	JPMORGAN CHASE BANK NA NZ BRANCH-SEGREGATED CLIENTS ACCT - NZCSD <CHAM24>	2,500,000	1.25
14	INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	2,425,000	1.21
15	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	2,130,000	1.07
16	CUSTODIAL SERVICES LIMITED <A/C 12>	2,129,000	1.06
17	QUEEN STREET NOMINEES LTD NO.1 - NZCSD	1,500,000	0.75
18	WOOLF FISHER TRUST INCORPORATED	1,500,000	0.75
19	JBWERE (NZ) NOMINEES LIMITED <NR USA A/C>	1,387,000	0.69
20	NZPT CUSTODIANS (GROSVENOR) LIMITED - NZCSD <NZPG40>	1,300,000	0.65
TOTAL TOP 20 HOLDERS OF 2.51% FIXED RATE BONDS 02/12/2030		**184,786,000**	**92.39**
TOTAL REMAINING HOLDERS BALANCE		**15,214,000**	**7.61**

Additional disclosures (continued)

Twenty largest noteholders (June 2056) as at 30 June 2026

RANK	HOLDER NAME	HOLDING	%
1	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	69,605,000	40.94
2	JBWERE (NZ) NOMINEES LIMITED <NZ RESIDENT A/C>	15,599,000	9.18
3	CUSTODIAL SERVICES LIMITED <A/C 4>	14,963,000	8.80
4	APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD <TEAC40>	14,500,000	8.53
5	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 1 E>	8,761,000	5.15
6	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <HKBN90>	7,200,000	4.24
7	FNZ CUSTODIANS LIMITED	6,427,000	3.78
8	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <CNOM90>	5,500,000	3.24
9	QUEEN STREET NOMINEES LTD NO.1 - NZCSD	2,850,000	1.68
10	GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED <NZCSD> <NZPT44>	2,346,000	1.38
11	CML SHARES LIMITED	2,150,000	1.26
12	INVESTMENT CUSTODIAL SERVICES LIMITED <A/C C>	993,000	0.58
13	WEIHUA LI & LEI XIAO	728,000	0.43
14	ADMINIS CUSTODIAL NOMINEES LIMITED	634,000	0.37
15	FORSYTH BARR CUSTODIANS LIMITED <A/C 1 NRLAIL>	624,000	0.37
16	STERLING HOLDINGS LIMITED	505,000	0.30
17	JML CAPITAL LIMITED	500,000	0.29
18	WOOLF FISHER TRUST INCORPORATED	485,000	0.29
19	FLETCHER BUILDING EDUCATIONAL FUND LIMITED	400,000	0.24
20	FORSYTH BARR CUSTODIANS LIMITED <ACCOUNT 2 E>	325,000	0.19
20	JBWERE (NZ) NOMINEES LIMITED <57482 A/C>	325,000	0.19
TOTAL TOP 20 HOLDERS OF 5.90% CAPITAL NOTES 06/06/2056		**155,420,000**	**91.43**
TOTAL REMAINING HOLDERS BALANCE		**14,580,000**	**8.57**

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 56.548 million EMTNs listed on the ASX, maturing December 2026
- EUR 500 million EMTNs listed on the ASX, maturing September 2029
- EUR 400 million EMTNs listed on the ASX, maturing November 2032.

Australian Medium Term Notes (AMTN)

Chorus has AUD $300 million wholesale AMTNs, maturing 18 September 2030.

American depositary receipts

American Depositary Shares, each representing five shares and evidenced by American Depositary Receipts (**ADRs**), 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 2026 Chorus had 721,324 ADRs on issue.

Additional disclosures (continued)

NZX bond and noteholder distributions as at 30 June 2026

DECEMBER 2027 MATURITY

HOLDING	NUMBER OF HOLDERS	TOTAL NUMBER OF BONDS HELD	% OF BONDS ISSUED
1 - 5,000	11	55,000	0.03
5,001 - 10,000	31	283,000	0.14
10,001 - 100,000	87	3,036,000	1.52
100,001 Over	53	196,626,000	98.31
TOTAL	**182**	**200,000,000**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 1,000.00 parcel at $ 0.9800 per unit	1,021	0	0

DECEMBER 2028 MATURITY

HOLDING	NUMBER OF HOLDERS	TOTAL NUMBER OF BONDS HELD	% OF BONDS ISSUED
1 - 5,000	51	255,000	0.05
5,001 - 10,000	139	1,364,000	0.27
10,001 - 100,000	581	21,695,000	4.34
100,001 Over	107	476,686,000	95.34
TOTAL	**878**	**500,000,000**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 1,000.00 parcel at $ 1.0600 per unit	944	0	0

DECEMBER 2030 MATURITY

HOLDING	NUMBER OF HOLDERS	TOTAL NUMBER OF BONDS HELD	% OF BONDS ISSUED
1 - 5,000	8	40,000	0.02
5,001 - 10,000	33	317,000	0.16
10,001 - 100,000	132	4,435,000	2.22
100,001 Over	45	195,208,000	97.60
TOTAL	**218**	**200,000,000**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 1,000.00 parcel at $ 0.9300 per unit	1,076	0	0

JUNE 2056 MATURITY

HOLDING	NUMBER OF HOLDERS	TOTAL NUMBER OF NOTES HELD	% OF BONDS ISSUED
1 - 5,000	71	355,000	0.21
5,001 - 10,000	126	1,048,000	0.62
10,001 - 100,000	282	9,158,000	5.39
100,001 Over	46	159,439,000	93.78
TOTAL	**525**	**170,000,000**	**100.00**

UNMARKETABLE PARCELS

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $ 1,000.00 parcel at $ 1.0300 per unit	971	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/investors/financial-reports/crown-infrastructure-partners.

SECURITY	NUMBER ISSUED IN THE YEAR ENDED 30 JUNE 2026	TOTAL ON ISSUE AT 30 JUNE 2026	HOLDER	PERCENTAGE HELD
CIP1 equity securities	–	376,711,053	CIP/NIFF	100%
CIP1 debt securities	–	376,711,053	CIP/NIFF	100%
CIP1 equity warrants	640,239	10,543,386	CIP/NIFF	100%
CIP2 equity securities	–	306,423,177	CIP/NIFF	100%
CIP2 debt securities	–	104,852,093	CIP/NIFF	100%

The Minister of Finance and the Minister for Infrastructure announced on 7 August 2026 that they have entered into agreements for the sale of the CIP securities listed above (excluding the CIP1 equity warrants). These securities are not ordinary shares and do not represent an equity stake in Chorus.

There has been no material change to the terms and conditions on which the securities were issued by Chorus as a result of the sale process.

Other disclosures

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 2026 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 set out on page 105.

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 2026, consolidated net tangible assets per share was $1.30 (30 June 2025: $0.27). 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 2026:

- Revenue from ordinary activities increased 1.5% to $1,029 million (30 June 2025: $1,014 million); and
- Profit from ordinary activities after tax, and net profit, attributable to shareholders increased 825% to $37 million (30 June 2025: $4 million).

Subsidiaries

CHORUS NEW ZEALAND LIMITED (CNZL)

Directors as at 30 June 2026: 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 its subsidiary Chorus New Zealand Limited.
CIP	Crown Infrastructure Partners (now renamed National Infrastructure Funding and Financing Limited),the Government organisation that managed 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.
DWDM	Dense wavelength-division multiplexing is an optical fibre multiplexing technology that increases the bandwidth of fibre networks.
EBITDA	Earnings before interest, income tax, depreciation and amortisation.
EMTN	European Medium Term Notes.
FY	Financial year – twelve months ended 30 June. e.g. FY26 is from 1 July 2025 to 30 June 2026.
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.
TCF	The Telecommunications Forum, New Zealand's primary industry body for the telecommunications sector.
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.
TUANZ	Technology Users Association of New Zealand.
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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Climate Statements 2026

For the 12 months ended 30 June 2026

Climate-Related Disclosures under Part 7A of the FMCA

Important note

This report includes climate-related data, assessments, and forward-looking statements that are by their nature subject to significant uncertainty, assumptions, and limitations. Inputs may be incomplete or unreliable, and modelling methodologies are still evolving. As such, information may change and should not be relied upon as definitive. Forward-looking statements, including targets, forecasts, anticipated impacts and strategic plans, may not eventuate as expected including due to factors beyond Chorus' control. Chorus does not guarantee the accuracy of these statements and cautions against reliance being placed on these statements which are necessarily less reliable than Chorus' other external reporting.

This report is not an offer or investment advice. For financial performance, please refer to Chorus' Annual Report. For further information, please read the limitations detailed throughout this report and in **Appendix 1.**

Introduction

Strategy

Metrics & targets

Governance

Risk management

Appendices

Publication date: 24 August 2026

Foreword

Mark Cross
Director and Board Chair
Dated 24 August 2026

Kate Jorgensen
Director and ARMC Chair
Dated 24 August 2026

High-quality connectivity is increasingly central to New Zealand's economic productivity and societal wellbeing.[1] Chorus' corporate purpose — ***Unleashing potential through connectivity. Enabling better futures for Aotearoa*** — and our commitment to transition to an all-fibre network help shape our approach to sustainability.

In FY26, we entered the next phase of our sustainability journey, building on the foundations established through our sustainability work of previous years which centred on emissions reduction and compliance. Our focus is now evolving to reflect the realities of what a changing climate means for Aotearoa and the continued supply of reliable, accessible digital connectivity.

This has included sharpening our focus on how we deliver against our purpose, identifying three strategic focus areas to guide our sustainability efforts over the coming period:

- **Resilient connectivity** - Our ecosystem is ready to withstand future challenges and adapt to change.
- **Equitable connectivity** - Our ecosystem works together to drive fairer access to the benefits of connectivity.
- **Future fit connectivity** - Our ecosystem reflects a changing population, with the skills and mindsets to meet tomorrow's needs.

Through this purpose-led lens, our practical sustainability programmes aim to strengthen our resilience and adaptive capacity, while we continue to work towards emissions reduction. Together, these efforts position Chorus to contribute to a low-emissions, climate-resilient future while helping to keep Aotearoa connected.

Chorus remains committed to reducing greenhouse gas emissions in ways that are credible and impactful, through our established science-based targets.[2] In addition, in FY26 we sharpened our focus on resilience and asset management systems. This included a renewed evaluation of asset exposure to climate hazards, and updating our Transition Plan – key aspects of which are highlighted in this report. As a company, we continued to improve our asset management capability over FY26, establishing a centralised asset management framework supported by improved documentation and governance.

New Zealand has experienced a number of extreme weather events over the last year. While these events did not materially impact Chorus' network physically or financially, they underscore the importance of robust business continuity systems, rapid deployment and coordinated stakeholder engagement to minimise network damage and maintain service continuity. Resilience is core to Chorus' business, from network planning and technology through to risk and response.

Global fuel supply pressures also presented challenges for our sector over the period. We are continuing to pay close attention to fuel supply contingency and energy security, alongside domestic electricity supply challenges. In FY26, we commissioned an independent energy review from Smart Power to evaluate our electricity requirements and supply options, as part of considering our long-term energy options.

Beyond FY26, we plan to deepen our understanding of the physical effects climate change poses to our assets and business longer term, and respond accordingly. We are unwavering in our commitment to purpose, and remain focussed on playing our part to support the climate transition and deliver the reliable connectivity that enables better futures for Aotearoa.

1 Deloitte (2024), 'Unleashing the power of digital fibre infrastructure in New Zealand', which notes that digital fibre infrastructure could add $163 billion to the New Zealand economy by 2033.
2 Our scope 1, 2 and 3 emissions targets were validated by the Science Based Targets initiative (SBTI) in 2024, and our progress against them is described in this report.

Overview

Chorus Limited is a climate reporting entity under the Financial Markets Conduct Act 2013 (**FMCA**).

This report contains Chorus' group climate statements under the mandatory reporting regime for financial year 1 July 2025 – 30 June 2026 (**FY26**) and relates to Chorus Limited and its wholly owned subsidiary (and operating company) Chorus New Zealand Limited (together, Chorus).[3] The scope of reporting entity is consistent with Chorus' FY26 financial statements.

Chorus is New Zealand's largest fixed line telecommunications network operator providing wholesale telecommunications services to broadband retailers along with other non-connectivity services such as colocation in our exchange buildings. Our fibre network offers access to high-speed, reliable, energy efficient broadband.

Statement of compliance

NZ CS 3, 55-56

Chorus' climate statements have been prepared in accordance with the requirements of the FMCA, and the Aotearoa New Zealand Climate Standards 1, 2 and 3 (**NZ CS**) across the four thematic areas of Governance, Strategy, Risk Management and Metrics & Targets.

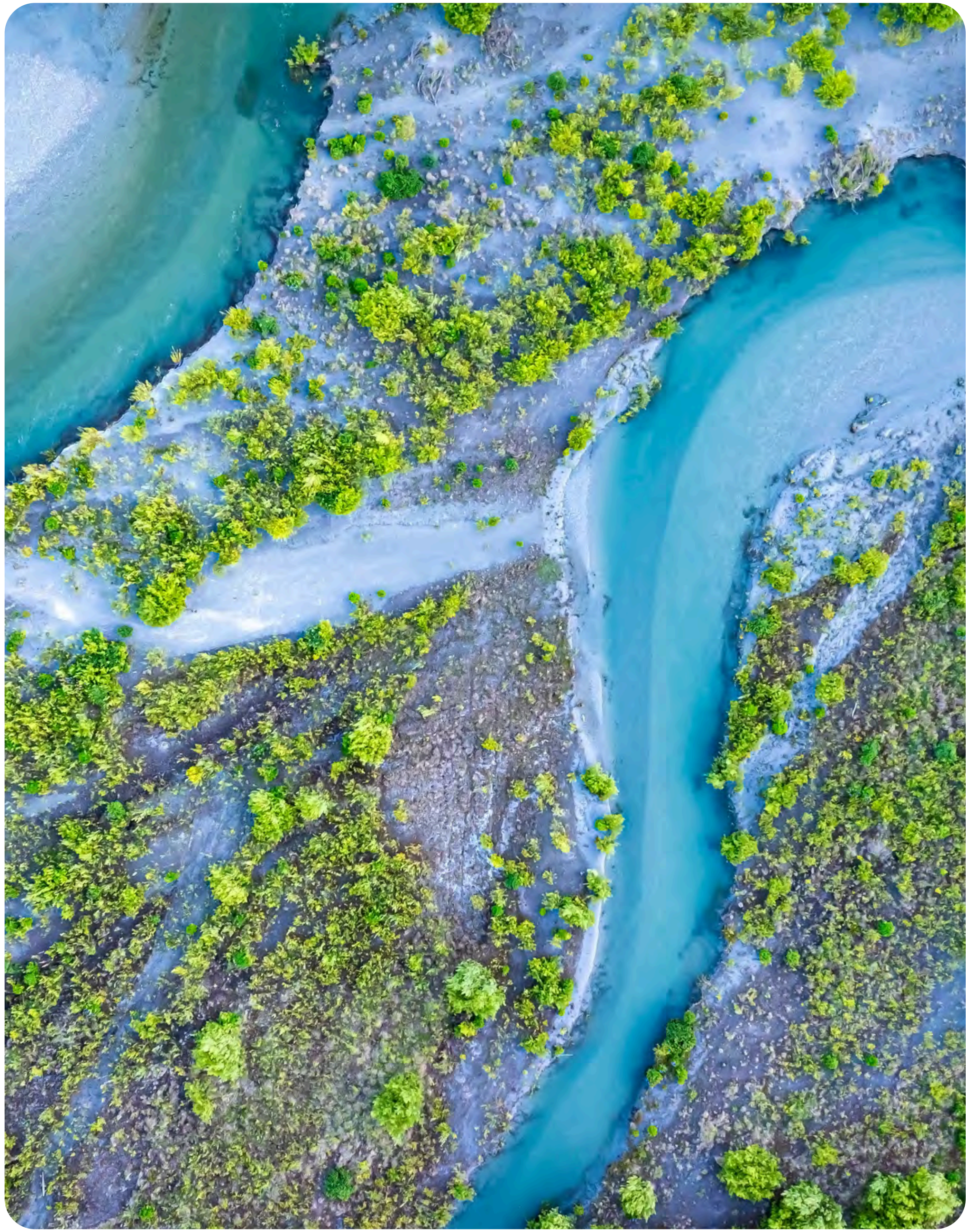
The table in Appendix 2 summarises where key disclosures can be found in this report, for ease of reference. We have also included NZ CS references alongside key headings in this report.

For FY26, Chorus has used Adoption Provision 2 (anticipated financial impacts) available under NZ CS 2.

Materiality

NZ CS 3, 27-39

This report builds on Chorus' previous disclosures from FY24-FY25 and is intended to inform primary users of how Chorus is positioning itself to manage the material climate-related risks and opportunities that may affect our business over time. It is not an exhaustive discussion of our work in this space. In line with the requirements of NZ CS 3, and FMA and XRB guidance, we have sought to provide information that is material to our primary users and relevant to their investment decisions.



3 Unless the context otherwise requires, all references in this report to "we", "us", "our" and "Chorus" should be interpreted to relate to Chorus Limited.

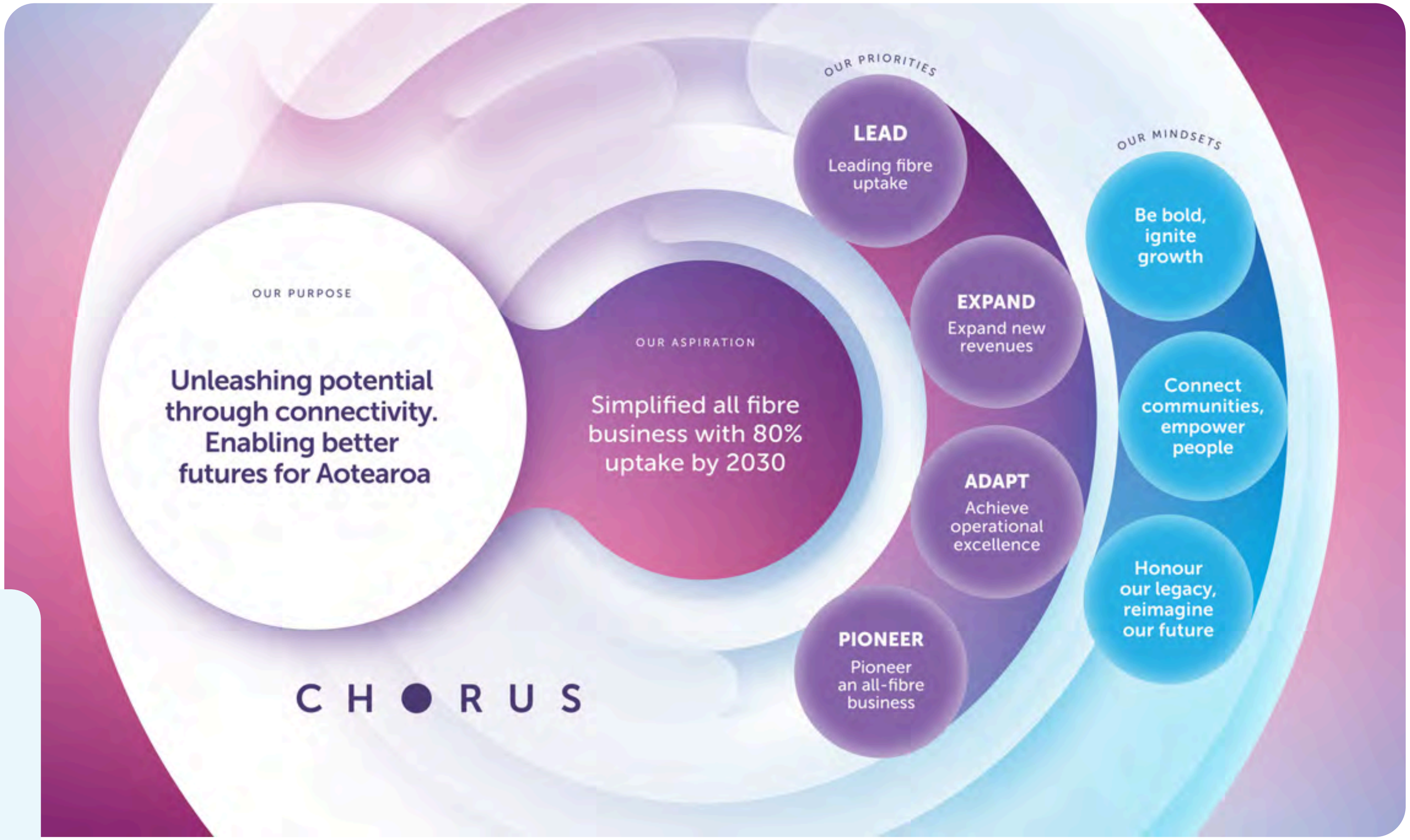
Strategy

Current business model and strategy

NZ CS 1, 16(a)

Chorus is New Zealand's largest fixed line telecommunications network operator providing wholesale telecommunications services to broadband retailers along with other non-connectivity services such as colocation in our exchange buildings.

Having constructed the majority of New Zealand's Ultra-Fast Broadband (**UFB**) network, Chorus' business strategy is focused on transitioning from a "build to operate" phase, and towards an all-fibre network. Our network assets include cables, ducts, poles, network buildings, network electronics and IT systems.



Our corporate strategy

Chorus updated its corporate strategy in FY25. This strategic reset saw us identify a renewed company purpose: ***Unleashing potential through connectivity. Enabling better futures for Aotearoa*** Underpinning that purpose is our company aspiration to become a simplified all-fibre business with 80% uptake by 2030.

This strategy reflects the inter-generational role we see fibre broadband playing in enabling better futures across our country. There are four strategic pillars that frame our focus, priorities and decision-making across Chorus.

We see fibre as a strategic asset that will help enable the next wave of technological and economic growth. As demand for bandwidth, low latency and reliability continues to accelerate, fibre provides the scalable, energy efficient infrastructure to support that growth. Its strengths, including symmetrical speeds, ultra-low latency, scalability and energy efficiency,[4] make it well suited to meeting the high-performance connectivity needs of Aotearoa's future.

Chorus plans for this strategy to be implemented over a 10-year horizon, with three distinct phases:

- **Horizon 1 (FY25)** was about getting 'future fit for purpose', embedding strategy, changing organisation structure and building new capability.
- **Horizon 2 (FY26 to FY29)** is where the benefits of change are realised progressively and Chorus is reflective of a simpler, more efficient, innovative and competitive business.
- **Horizon 3 (FY30 onwards)** describes our planned transition to a single state technology.

4 See World Broadband Association, 'Importance of Environmental Sustainability in Telecom Service Providers' Strategy', 2022.

Current business model and strategy (continued)

NZ CS 1, 16(a)

In FY26, we continued implementation of the strategy,[5] and announced that the planned retirement of Chorus' copper network would be brought forward to 2028.[6] This acceleration will also benefit Chorus' sustainability progress. Fibre is more energy efficient than copper, less prone to faults and more resilient to weather events.[7]

Further commentary on the status of our copper withdrawal programme and our broader work in resilience is set out in Chorus' Annual Report.

Our sustainability strategy

Chorus' corporate strategy is underpinned by a series of sub-strategies. These include a sustainability strategy, which works alongside a number of other strategies and policies relevant to our climate response including network technology, risk management, asset management, business continuity and resilience.

As a company, our continued focus on sustainability is aligned to Chorus' overall corporate strategy and contributes to achieving our purpose and aspiration – it is part of how Chorus enables better futures for Aotearoa. Chorus' sustainability strategy aligns to the same four ecosystems Chorus seeks to support through our purpose: Environment, Communities, Customers & Partners, and People, as shown in the diagram.

In FY26, we refreshed our sustainability strategy, identifying what purpose-led areas matter most for Chorus and reviewing areas where Chorus' sustainability efforts could have the greatest impact. This has led to us agreeing three interconnected strategic focus areas anchored by our purpose. These are:

- **Resilient connectivity** - Our ecosystem is ready to withstand future challenges and adapt to change.
- **Equitable connectivity** - Our ecosystem works together to drive fairer access to the benefits of connectivity.
- **Future fit connectivity** - Our ecosystem reflects a changing population, with the skills and mindsets to meet tomorrow's needs.

These renewed strategic focus areas represent an evolution of our sustainability strategy, rather than a fundamental change in approach to existing environmental commitments.[8]

Our ecosystem endures, recognising that our Environment, Communities, Customers & Partners and People are the resources and relationships that Chorus relies on to create value. Our aspirations for Communities, Customers & Partners and Environment (including our established SBTi targets and related electricity consumption goals) continue and are discussed further below. We have made some adjustments to our Thriving People aspiration, to better reflect our focus on 'Future-fit', and broader efforts of the organisation in relation to our people. This is reflected in the infographic above.

5 See Chorus, Half Year Results financial presentation, February 2026.
6 In April 2026, we announced that we would bring forward our planned retirement of our copper network to 2028, accelerating our transition to an all-fibre business. See Chorus, Q3 FY26 Connections Update.
7 Sapere Report, 'Assessing the emissions footprint of the fibre networks relative to other fixed broadband options in NZ', 2021, at 4.1.
8 These new sustainability focus areas formed part of the evolved sustainability strategy and were approved by the Board in June 2026.

Transition Plan on a Page

NZ CS 1, 16(b)

This diagram reflects the material aspects of Chorus' Transition Plan as at the end of FY26. Our Transition Plan (see further detail in the following section) is designed to help address our climate related risks and opportunities (see Table 1 below) and chart a pathway for progress against our climate targets.

CHORUS' PURPOSE

Unleashing potential through connectivity. Enabling better futures for Aotearoa.

CLIMATE ASPIRATION

Continue to operate an efficient, low-emissions fibre network and business, with a focus on building climate resilience.

COMPANY ASPIRATION

Simplified all fibre business with 80% uptake by 2030.

HORIZON 2 → **HORIZON 3**

AMBITION - NET ZERO BY 2050

Decarbonise through our Emissions Reduction Plan

FY26 progress:

- Scope 1 & 2 – 43% reduction of emissions against FY20.
- Scope 3 – 55% of our top suppliers have verified Science-Based Target Initiative (SBTi) targets in place.
- Electricity – 17% consumption reduction against FY20.
- 100% climate-positive Toitu-certified electricity to power our network since FY23.
- Fleet - 92% EV or hybrid fleet.

FY27

Continue initiatives that reduce electricity consumption such as copper retirement and temperature setpoint change across additional sites.

FY28

Continue monitoring of technological advances, and seek to reduce generator fuel use.

100% EV or hybrid fleet.

FY30

Aim to reduce electricity use by 25% against FY20.

Consider formalising a Net Zero target for Chorus with supporting plan and roadmap defined.

Renewable and resilient electricity generation

FY26 progress:

- Solar trialled on exchanges (six sites) - installed and monitored with performance results to be assessed. Further installations paused while we assess findings.

FY27

Assess solar trial performance and impact of related workstreams to help determine next steps.

From FY27/28

Consider setting renewable generation target following trial completion, and explore battery storage.

Minimise climate impact through transition to an 'all-fibre business'

FY26 progress:

- Climate mitigation and adaptation assessment created for portfolio asset management plans.
- Interim IEP adopted.

FY27

- Use Aon data to better identify climate hazards and vulnerabilities of assets.
- Develop mitigations.
- Develop method for calculating anticipated financial costs of climate impacts.
- Test our IEP on multiple spend categories.
- Progress the property optimisation program to help reduce network asset risk exposure and emissions by reducing sites and identifying opportunities to make sites more energy efficient.
- Identify further opportunities under the resilient connectivity pillar of our sustainability strategy.

By FY29

Complete retirement of copper network (anticipated by end of 2028) and transition to an all-fibre network future, with climate vulnerability assessed regularly.

Transition planning

NZ CS 1, 16(b)

Chorus developed its first consolidated Transition Plan in FY25, building on existing programmes that support decarbonisation and build resilience. The plan brought together a number of initiatives, intended to help facilitate an integrated approach to support our climate goals.

Our Transition Plan specifically describes how we intend to leverage our corporate strategy by working to address Chorus' material climate-related risks, and charts the pathway for progress against our climate targets. It highlights that our transition planning is a dynamic, evolving and iterative process, with a number of assumptions and dependencies that may impact our progress over time.[9]

Chorus' Audit and Risk Management Committee (**ARMC**) approved our first Transition Plan in FY25. We updated our Transition Plan in FY26 (see bullet points below), with the update approved by Chorus management in May 2026, and noted by the ARMC in June 2026.

Our Transition Plan supports both our corporate and sustainability targets, and renewed focus on resilient connectivity, by helping to ensure we can maintain network reliability under climate disruption.

We continue to leverage fibre as a low-emissions,[10] resilient broadband technology, embed climate mitigation and adaptation considerations into more of our core business processes over time, and work towards aligning climate priorities with our long-term asset and network planning.

Points incorporated as part of our FY26 update of the Transition Plan included:

- incorporation of our new strategic focus areas for sustainability
- discussion of shifting regulatory expectations around emergency management and essential infrastructure
- recognition of the challenges posed to the telecommunications sector by recent geopolitical and fuel supply issues from a security of supply perspective
- noting the uplift in Chorus' asset management capability and establishment of new asset management frameworks, and
- growing maturity of our energy efficiency programme, and potential future opportunities for additional electricity reduction.

Further detail regarding the key workstreams that inform our Transition Plan is provided on the following page.

9 This was acknowledged in the XRB's transition planning guidance document from December 2024. See XRB, Climate-related Disclosures - Staff Guidance for Transition Planning Disclosures, 2024.

10 By comparison to alternative broadband technologies such as copper. See Sapere Report, 'Assessing the emissions footprint of fibre networks relative to other fixed broadband options in NZ', 2021 at 4.1.

Assumptions and dependencies

NZ CS 3, 49

Below are the key assumptions, dependencies and potential barriers that may impact Chorus' progress towards delivering its climate goals and supporting initiatives. These remain largely consistent with our FY25 assumptions and dependencies.

CLIMATE GOAL	ASSUMPTIONS AND DEPENDENCIES
Scope 1 and 2 emissions reduction by FY30	• Progress assumes Chorus can smoothly transition to an all-fibre business and out of copper by end of 2028, with operating model and settings consistent with continued decarbonisation. • Solar, battery back-up and energy efficiency opportunities are proven feasible for Chorus. • Renewable generation and storage from the national grid continue to improve. • Collaborative effort with industry to pursue joint decarbonisation initiatives where appropriate.
Scope 3 emissions engagement by FY29	• Stable supply chain, with access to alternative suppliers if required. • Minimal changes to trade settings that could negatively impact supplier emissions. • All major suppliers meet their contractual obligations to Chorus, in relation to having SBTi targets in place by FY29 and providing emissions data.
Electricity reduction by FY30	• As above – this relies on similar assumptions to Chorus' scope 1 and 2 targets. • Supplier emission reduction commitments remain on track and technology supports Chorus' overall consumption decreasing over time. • Replacement of legacy metering equipment proves feasible and improves electricity monitoring capacity over time.
Net Zero ambition by 2050, across scope 1, 2 & 3 emissions	• Continued all-fibre business model, with scope for operations simplification and emissions reduction, and timely exit from copper network. • Chorus' climate targets continue to reflect latest climate science and are achievable by the specified dates. • Supply chain plays its part to reduce emissions and other environmental impacts on the Chorus network. • Government maintains its Net Zero commitment with enabling Emissions Reduction Plan aligned to Paris Agreement. • Broader policy and regulatory settings consistent with pathway to Net Zero, including scope for collective industry action and innovation. • Chorus' regulatory framework enables adequate climate investment. • Chorus' climate-related expenditure framework in place by end of FY28. • Scope for carbon offsets where required in line with applicable Corporate Net-Zero Standards.

Key workstreams that underpin our Transition Plan

Climate Mitigation

Key enabling initiatives to reduce our emissions include:

- Emissions Reduction Plan (**ERP**): Our ERP tracks how we intend to reach our target of reducing 62% of our scope 1 and 2 emissions by FY30 (against FY20 levels). The most material contributor to achieving this target is reducing our electricity usage. We update our modelling for electricity consumption reduction each year alongside Chorus' 10-year financial planning cycle (**Long Range Plan**) to ensure the assumptions we use when calculating future reductions remain consistent and aligned.

  In FY26, Chorus' scope 1 & 2 emissions decreased, primarily due to the ongoing retirement of the copper network - see the Metrics & Targets section below for information on Chorus' performance against these targets in FY26. The Ministry for the Environment (**MfE**) emission factors for electricity (released in May 2026) also contributed to the overall decrease. Chorus remains on track overall to reach its 62% reduction in scope 1 & 2 emissions by FY30.

- Energy Efficiency Programme: Our energy efficiency programme supports the ERP and is a key driver of our sustainability strategy and purpose, driving electricity reductions across Chorus. Building on the findings of the energy audit conducted by our Sustainability team in FY25, in FY26 we established a governance forum and working groups to monitor the three key workstreams of the Energy Efficiency Programme – reduce electricity costs, drive consumption efficiency and improve data and reporting to help decision making. Key work over FY26 to make the business more efficient included the ongoing retirement of the copper network and legacy equipment, and an increase to temperature setpoints in our exchanges (see the 'Climate-related Opportunities' section at page 22 below).

- Electricity Reduction Options Review: In FY26, we commissioned an independent energy review by Smart Power to ensure our approach to purchasing electricity delivers long-term value, supports our decarbonisation goals, and increases resilience to price volatility. This work considered a range of procurement options, including hedging strategies, and evaluated them against key factors such as cost, risk, flexibility, and sustainability outcomes. Results are due to be considered by the Chorus Board in Q1 FY27.

- Vehicle fleet electrification: In FY26 we replaced 13 diesel vehicles with a hybrid alternative. This means we now operate a 92% hybrid and EV fleet.

- Investigating renewable energy solutions: In FY26, we paused further roof mounted solar panel installations while we assess findings from the first stage of the trial and consider how related workstreams may impact selection and feasibility of future solar sites, including property optimisation, resilience planning and alternative energy storage projects.

We have also continued to trial the Internal Emissions Price (**IEP**) through our enterprise project management office (**EPMO**) to test carbon costs against appropriate investment and operational decision-making, supporting alignment between financial and climate objectives. The IEP is discussed further in Metrics & Targets below at page 23.

Climate Adaptation and Resilience

In FY26, we worked to enhance the resilience of our network and operations by:

- continuing efforts to integrate climate considerations into asset management and investment planning
- commissioning a climate exposure assessment of key fibre assets (further details set out in the 'Physical Risks' section on page 22)
- strengthening our disaster response and business continuity capabilities, and
- participating in industry and regulatory processes on adaptation and resilience, including via the Telecommunications Forum (**TCF**) and on proposed regulatory reforms such as the Emergency Management Bill (No 2).

Physical risks such as extreme weather events are currently considered to be our most material climate-related risk category due to our extensive infrastructure footprint. Accordingly, a significant focus for Chorus in FY26 was understanding the exposure of our key fibre assets to climate hazards, based on the latest data. Details of our latest assessment are set out under 'Physical Risks' on page 22, based on work we commissioned from Aon.

Asset management focus

FY26 saw a significant uplift in Chorus' asset management capability. Becoming a mature asset operator forms a key part of our corporate strategy. This is also captured in our latest Asset Management Policy, which records our aspiration to: ***"Optimise our assets to deliver effortless customer experience and innovate for growth to ensure we maximise the long-term value for our customers and shareholders whilst optimising our total cost of ownership."***

A focus for our business in recent years has been improving asset management capability, to gain more value from capital and operational expenditure and manage risks that may impact the future resilience of our business. This has seen us establish a centralised asset management framework supported by improved documentation and governance. Further details will be provided as part of Chorus' Price Quality Period 3 regulatory proposal due to the Commerce Commission in 2027. This renewed framework reflects improved strategic asset documentation, as well as individual Portfolio Asset Management Plans (**PAMPs**), improved lifecycle planning, data and modelling.

From a climate perspective, we still have ongoing work to do to integrate climate considerations into the latest documentation including the PAMPs, and appropriate business planning and asset planning cycles. This will be an ongoing focus area, as systems mature and our understanding of the materiality of physical climate hazards posed to our network and assets develops further.

Alignment of transition planning to financial deployment processes

NZ CS 1, 16(c)

Chorus' transition plan initiatives are aligned with, and integrated within, our broader organisational capital deployment and financial management processes – they are funded by standard capital and opex expenditure processes. This includes our annual business planning cycles and preparation of Long Range Plans.

Individual business units submit funding proposals, including those related to transition plan initiatives, as part of the annual business planning process, based on identified investment drivers and organisational need. Chorus also prepares a Long Range Plan, which focuses on our planned investment profile over the next 10 years. Both are approved by Chorus management and the Board.

Climate considerations are being integrated into capital deployment and financial decision-making, including the trial of our IEP in investment appraisal and decision-making, and incorporation of climate criteria into asset management planning documentation.

Consideration of the need for climate-related spend (including on resilience initiatives) also occurs as part of our regulatory planning processes, including expenditure proposals we submit to the Commerce Commission as part of our price-quality regulatory framework.

Scenario analysis

NZ CS 1, 13

Chorus' sustainability programme continues to be informed by the telecommunications sector scenario analysis commissioned by the TCF Climate Change Working Group in 2024.[11] For FY26, we consider this scenario analysis remains robust and relevant to our sector (see further detail under 'Process' on page 11 below), and it continued to inform our consideration of climate-related risks and opportunities and the resilience of our business model and strategic focus areas for sustainability.

The following section describes the methods, assumptions and process employed to prepare these sector scenarios in further detail, as required by NZ CS 3 para 51, and mirrors the content we previously disclosed in FY25.

11 See Tonkin & Taylor, Telecommunications Sector Climate Change Scenarios | NZ Telecommunications Forum, dated 15 July 2024. Chorus did not conduct any independent modelling beyond that reflected in the TCF Scenarios. RCP and NIWA data sets are contained at Table 4.2 on page 20 of the Telecommunications Sector Climate Change Scenarios.

Climate-related scenarios

NZ CS 3, 51(a)

The three climate scenarios Chorus has adopted based on the telecommunications sector scenario analysis are as follows:

Scenario 1: Orderly Transition (Paris Agreement aligned transition scenario).
Scenario 2: Hot House World (high-warming scenario).
Scenario 3: Disorderly Transition (additional scenario).

The Orderly Transition and Hot House World scenarios were selected to align with the 1.5C and >3C scenarios mandated by the New Zealand Climate Standards. Disorderly Transition was selected as a third scenario as it contains a mix of physical and transition impacts that test the resilience of Chorus' business model and strategy. Shortlisted drivers, being the key factors outside of Chorus' or the telecommunications sector's control that could have the greatest influence in shaping outcomes for its sector, were identified and mapped across three climate scenarios. These included policy, socioeconomic, technological, environmental and economic factors, with legislation, supply chains, access to finance, digital dependence and climate hazards identified as key influences. The scenarios also incorporate assumptions about energy transition pathways, future decarbonisation rates, and the deployment of low-emissions and carbon removal technologies as determinants of climate outcomes. A select number of drivers were chosen to be 'featured' or key to the scenario narrative, while others were 'supporting'.[12]

Process

NZ CS 3, 51(b)

Chorus contributed to the climate scenario analysis commissioned by the TCF and prepared by Tonkin & Taylor in 2024 as part of a project management team and wider stakeholder group to support and oversee this work. The review also considered the extent to which the scenarios reflected the key external drivers most likely to influence Chorus' operating environment, business model and strategic objectives. This provided a foundation for assessing the resilience of Chorus' strategy and climate-related risk and opportunity profile under different climate-related futures.

Chorus management and the ARMC provided oversight of the development of the climate scenarios and scenario analysis process at the time, including having an opportunity to provide feedback on the draft scenarios prior to finalisation of the report. The scenario analysis process was conducted externally and separate to Chorus' strategy processes, although findings continued to inform internal workstreams in FY26. We expect the scenarios will require review over time to reflect changes in our operating environment and emerging climate-related developments.

Given Chorus' participation in the telecommunications sector analysis, these scenarios were adopted by Chorus in FY25 and used to progress work in FY26. In particular, the scenarios were used as a basis to deepen Chorus' assessment of resilience to climate-related risks and opportunities and have informed the annual review of our climate register including mitigations and action plans. The scenario analysis also informed the preparation of our first documented Transition Plan in FY25, including key dependencies and assumptions relevant to maintaining the resilience of the Chorus network.

TELECOMMUNICATIONS SECTOR CLIMATE SCENARIOS – SUMMARY OF NARRATIVES

	ORDERLY TRANSITION	HOT HOUSE WORLD	DISORDERLY TRANSITION
GLOBAL CLIMATE AND SOCIO-ECONOMIC PARAMETERS	SSP1-1.9 (IPCC)	SSP3-7.0 (IPCC)	SSP2-4.5 (IPCC)
NZ SPECIFIC CLIMATE PARAMETERS	RCP 2.6 (NIWA DOWNSCALED REPORTING)	RCP 8.5 (NIWA DOWNSCALED REPORTING)	RCP 4.5 (NIWA DOWNSCALED REPORTING)
SUMMARY	Aotearoa New Zealand (NZ) and the world transitions to net zero by 2050 with strong policy and market changes clearly signalled by the government. Physical impacts from climate change are limited and align with the SSP1-1.9 scenario. Average global temperatures are limited to 1.5 degrees above preindustrial levels by 2050.	NZ and the world abandon net zero targets, and there is no national or global movement to reduce emissions. Existing policies are reversed, and fossil fuel use continues. Physical impacts from climate change are severe with annual average global temperatures rising to 2 degrees above pre-industrial levels by 2050 and 3.6 degrees by 2100 (in alignment with SSP3–7.0)	NZ and the developed world are delayed in their transition to net zero and continue to use fossil fuels over the short-term. This results in a steady increase in temperature and physical impacts in alignment with SSP2–4.5 (2 degrees by mid-century). By 2030, NZ and the developed world realise that urgent action is needed to reach net zero, which results in abrupt and poorly signalled policy and market changes.

The sector scenario analysis was produced using international and national scenario parameters, including global climate and socio-economic parameters, and NZ specific climate and transition pathways parameters.

The time horizons (applied from 2025) were as follows:

1. **Short-term (5 years: 2030)** – Aligns to telecommunications organisations' emissions reduction targets (including Chorus).
2. **Medium-term (15 years: 2040)** – Aligns with Chorus' 10-year strategic planning horizon, along with average life of electronic network equipment.
3. **Long-term (30+ years: 2055+)** – Aligns with potential materialisation of physical risks, particularly infrastructure impacts and aligns to New Zealand's 2050 net zero ambition).

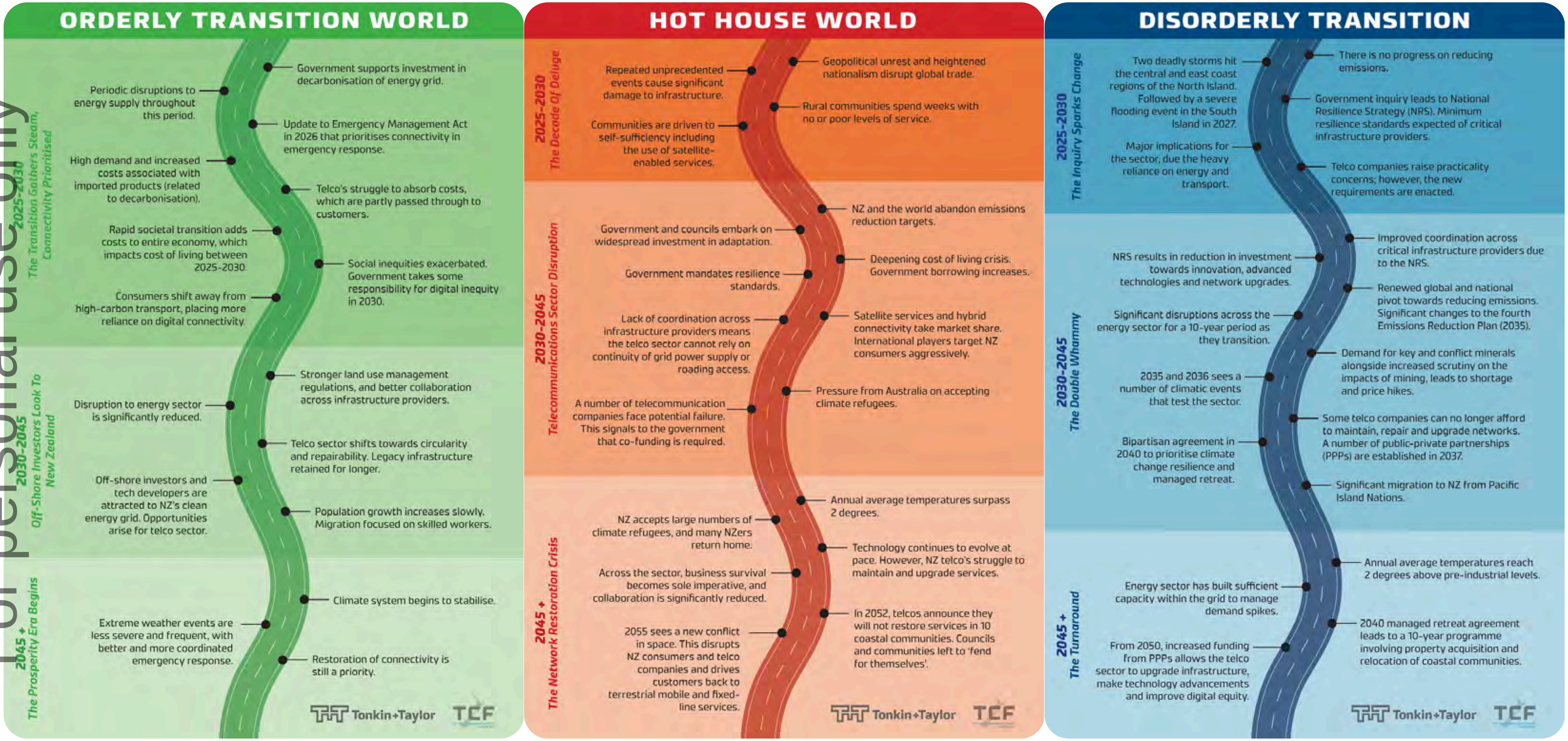
The pathway assumptions for each scenario are summarised on the next page.

12 While carbon sequestration from afforestation and nature-based solutions were part of the underlying SSPs used to build the scenarios, they were not shortlisted drivers, and therefore not included in the sector scenarios.

Climate-related scenarios (continued)

NZ CS 3, 51(a)

The pathway assumptions for each scenario are summarised below[13].



13 See Tonkin & Taylor, Telecommunications Sector Climate Change Scenarios | NZ Telecommunications Forum, dated 15 July 2024, on pages 7-9.

Climate risks, opportunities and impacts

Overview

Chorus' risk management frameworks allow us to proactively manage risk. The climate risk and opportunity approach that applied in FY26 is aligned to, and integrated within, Chorus' enterprise-wide risk framework with oversight from the ARMC. This framework is discussed in further detail in the Risk Management section (see pages 28 and 29).

Accordingly, climate risks can show up in both our enterprise-level risk registers (for example as 'Principal Risks' or 'Emerging Risks'), as well as our dedicated climate risk register.

In FY26, the following risks were identified at the enterprise level, with relevance to climate:

- **Principal Risks** – Risks to service availability and network assets in light of increasing weather, climate events and other outages, including potential stakeholder and regulatory implications, were identified as a Principal Risk area.
- **Emerging Risks** – Climate and nature driven risks were identified as an Emerging Risk area, defined as potential longer-term impacts on Chorus and broader infrastructure, assets and operations including increased pressure around emissions targets.

Within Chorus' dedicated climate register, specific risks and opportunities are identified, assessed and managed.

The table below describes the specific climate risks and opportunities identified by Chorus in FY26 (column 1). The risks are consistent with those disclosed in Chorus' FY25 climate statements. Our view is that each remains current and relevant to the business, reflecting a relatively consistent and stable risk profile, and the comprehensive multi-year assessment now embedded into ongoing monitoring and review. Updates to impacts and mitigations are captured in columns 2 and 3 of the below table, and build upon those disclosed in previous climate statements. These highlight some of our key operational initiatives to manage short term impacts, including weather-related faults, while monitoring for longer term opportunities to enhance resilience and support sustained risk mitigation.

Current impacts

NZ CS 1, 12(a)

In terms of current impacts, despite numerous weather events experienced across Aotearoa in FY26, Chorus did not experience any material impacts (including any material financial impacts) from climate change in FY26. Although Chorus is not required to assess or disclose current impacts with respect to specific risks, we have nonetheless described some of the ways current impacts show up for our business with respect to key risks (see table below), consistent with our previous disclosures. While these impacts were not material for FY26, we include these to provide primary users with an insight into the ways climate risks can manifest, and the types of developments we monitor for and mitigate where possible.

We also note that climate events can have cumulative and cascading effects, including financial effects, over multiple years. For example, while Cyclone Gabrielle occurred in FY23, Chorus has incurred expenditure associated with its impacts across multiple years due to trailing costs and external dependencies delaying some works (such as the need to coordinate with third parties, for instance, roading authorities). While costs may not therefore be material in a single reporting period, it is important to appreciate that climate events can generate impacts that continue across a number of years.

Our biggest risk area remains extreme weather events, followed by volatility in electricity supply as set out below.

TABLE 1: Chorus climate-related risks, opportunities & impacts – FY26

RISK / OPPORTUNITY / TYPE	SUMMARY OF CURRENT (FY26) AND ANTICIPATED IMPACTS	CURRENT CONTROLS[14] AND ADDITIONAL MITIGATIONS[15]
Risk: Increase in frequency and intensity of extreme climate-related weather events, including storms, extreme wind, rainfall, drought, and wildfire. The increased severity and frequency of these events could expose our network assets to flooding, slips and washouts, wind damage, extreme heat or fire causing network damage or service outages. **Type:** Physical. **Time horizon:** Short to medium term.	**Current impact:** Chorus experienced localised weather events in certain regions (primarily flooding from heavy rainfall) causing outages and faults in its copper and fibre networks, issuing Force Majeure notices as required. **Anticipated impact:** Prolonged service disruption may have a detrimental operational, financial and/or reputational impact, particularly where it impacts a large area or number of consumers (e.g. damage to key fibre routes or widespread loss of electricity). This will be especially true as we, Aotearoa and Chorus, experience cascading and cumulative effects of climate change, such as service interruptions from multiple climate-related events or forced displacement from affected areas. Significant damage may require replacement or relocation of assets. Extreme temperatures (medium term) or cumulative climate related events affect Chorus people's ability to work.	**Controls:** • Business continuity, resilience and force majeure processes. • Asset-level climate risk exposure assessments updated to inform flood mapping and strategic planning. • Ongoing fibre route surveillance informing asset management of deterioration and enabling proactive maintenance (e.g. slips, erosion, bridge crossings). • Internal project codes track operational expenditure attributable to extreme weather events. **Mitigations:** • Ongoing investment programmes to enhance network resiliency, including in relation to dual fibre paths, functionality limits and critical spares. • Chorus uses data, mapping, and insights for planning and assessing climate impact and strengthening network resilience, and prioritising fibre uptake and copper shutdown (noting fibre is less susceptible to weather-related faults). • Applying a climate lens where appropriate to asset management and investment planning. • Co-ordinated and proactive engagement with stakeholders during weather events to ensure timely, consistent support planning and response.

14 Controls are measures that help us identify, track and be notified of an upcoming risk.
15 Mitigations are measures that help manage and reduce the magnitude of that risk.

Climate risks, opportunities and impacts

RISK / OPPORTUNITY / TYPE	SUMMARY OF CURRENT (FY26) AND ANTICIPATED IMPACTS	CURRENT CONTROLS AND ADDITIONAL MITIGATIONS
Risk: Increase in frequency of planned and unplanned power outages due to demand, supply, weather events (such as high rainfall causing flooding and power outages) and delayed decarbonisation of the New Zealand grid. The increased severity of these events could expose our networks to power blackouts causing network service outages and increased energy costs. **Type:** Physical. **Time horizon:** Short to medium term.	**Current impact:** Minimal. Chorus experienced outages due to weather related events (primarily flooding from heavy rainfall), however no significant network level impacts occurred. **Anticipated impact:** Energy rolling blackouts could increase, especially during peak energy use times, which could affect the delivery of telecommunications services to customers. Could also see increased carbon emissions and increased electricity prices.	**Controls:** • Battery reserves at exchanges. • Diesel back-up generators. **Mitigations:** • Energy efficiency programme (described above). • Copper network retirement will significantly reduce Chorus' electricity use. • Alternative back-up generation including solar is being investigated as part of Chorus' transition planning.
Risk: Projected risk of damage to Chorus' network assets from sea-level rise or coastal flooding. **Type:** Physical. **Time horizon:** Long term.	**Current impact:** Nil. **Anticipated impact:** Damage to assets such as cabinets, poles, cables or buildings could affect the delivery of telecommunications services to customers.	**Mitigations:** • Asset impact assessments allow us to incorporate findings into long-term asset management planning as appropriate. • Our asset investment framework provides a criteria to decide on where we invest and adapt current sites where needed. • Chorus continues to use data, mapping, and insights to assess climate impact and build resilience across its network.
Risk: Supply chain disruption due to major weather events, raw materials shortages, supply and demand volatility and geo-political issues could lead to network outages and loss of revenue if we are unable to replace essential equipment or materials. **Type:** Physical. **Time horizon:** Short to medium term.	**Current impact:** Minimal. Chorus experienced some delays and price increases in FY26 with certain types of chipsets and fibre cable from international suppliers, caused by geopolitical events in the Middle East and Ukraine impacting demand and shipping. However no significant network level impacts occurred. **Anticipated impact:** Climate-related events including increase in the frequency and intensity of severe weather patterns could disrupt global supply channels. These impacts may be compounded by geopolitical volatility, trade restrictions, and material or component shortages, which could affect the availability and lead times of telecommunications or network equipment, particularly where Chorus relies on international suppliers. This in turn could lead to network outages and loss of revenue if we are unable to replace essential equipment or materials. Fuel constraints (particularly diesel) caused by geopolitical uncertainty may impact service companies' ability to respond to extreme weather events, as well as generator refuelling for remote sites if mains power fails. It may also result in higher costs from our service companies.	**Controls:** • Regular supplier and supply chain risk reporting. **Mitigations:** • Supply chain management measures, including: ◦ engaging geographically diverse suppliers; ◦ reviewing performance and exposure to climate risk; ◦ implementing contingency measures (for high risk geographies) such as dual sourcing and product substitution strategies. • Business continuity processes response where a key supplier is likely to be materially impacted.
Risk: Insufficient priority of, and investment in, climate mitigation and adaptation initiatives by Chorus or its suppliers could result in delays reducing our emissions, meeting our science-based targets and adapting our assets. **Type:** Transition. **Time horizon:** Short to medium term.	**Current impact:** Nil. There has been no impact around insufficient investment in FY26. Chorus has an emissions reduction target for scope 1 & 2 emissions, along with our supporting ERP. Key activities include energy efficiency, energy reduction and switching to EV/Hybrid fleet. Investment to support Chorus achieving its target is already in the 10–year financial plan. Chorus has also recently updated its resiliency strategy. **Anticipated impact:** Potential increase in unplanned capital expenditure for frequent and extensive service and network restoration activities. Regulatory framework could see insufficient future allowances for weather related expenditure or asset investment.	**Mitigations:** • Climate-related expenditure framework in development. • Regulatory engagement to maximise allowances in future Chorus price-quality regulatory periods. • Climate exposure assessment of our assets updated for future integration into existing asset management documents. Continued collaboration with NZTA to assess the least exposed build option. • Copper withdrawal programme, and focus on key fibre asset resilience.

Climate risks, opportunities and impacts

RISK / OPPORTUNITY / TYPE	SUMMARY OF CURRENT (FY26) AND ANTICIPATED IMPACTS	CURRENT CONTROLS AND ADDITIONAL MITIGATIONS
Risk: Government policy & regulation restricts Chorus' ability to act leading to funding shortfalls that impact our climate-related initiatives. Alternately, additional investment mandated by Government could redirect resources from our core activities. **Type:** Transition. **Time horizon:** Medium to long term.	**Current impact:** Minimal. Chorus' price-quality regulatory regime is well understood and managed by the business. Chorus has been subject to this regime since 2022. The Commerce Commission determines a multi-year "price-quality path" that dictates the maximum revenue Chorus can earn as well as minimum quality standards we must meet. Chorus will submit its third regulatory proposal in August 2027, to inform future allowances for the upcoming regulatory period (**RP3)** which runs from January 2029 to December 2033, capturing planned sustainability and resilience-related investments. **Anticipated impact:** The Commerce Commission or the New Zealand Government could in future limit Chorus' ability to invest in climate mitigation or adaptation, or mandate requirements that are unanticipated and/or problematic for the business. For example, insufficient future expenditure allowances for asset management, resilience, and adaptation planning could result in Chorus needing to deprioritise climate-resilience initiatives in favour of core activities, including to ensure service quality standards are met. More broadly, Government could mandate 'over-investment' requirements where this is deemed necessary to provide climate futureproofing or avoid a disorderly transition scenario. Depending on the scale and timing of such requirements, and the extent of alignment to Chorus' existing strategy and investments, such requirements could result in a low return, and redirect focus from core activities.	**Mitigations:** • Strong regulatory engagement and expenditure forecasting processes, through which we work to secure appropriate expenditure allowances. • Strong stakeholder relationships. • Robust asset management planning documentation supports Chorus through RP3 proposal to become resilient and adaptive to a changing future.
Risk: Economic and social risks (such as the need for managed retreat from low-lying areas) could impact the access or affordability of core digital services for small or low-socio economic communities. **Type:** Transition. **Time horizon:** Medium term.	**Current impact:** Minimal. **Anticipated impact:** Physical or transitional climate impacts could widen the digital divide for low socio-economic communities and reduce access to telecommunications services. The need for managed retreat from low-lying areas could exacerbate inequality, with community disruption and increased affordability challenges for customers, as well as wellbeing impacts on our workforce.	**Mitigations:** • Our Whiria Te Aka Matihiko programme[16] aims to help close the digital divide, and has strong community and stakeholder engagement. • Introduction of a targeted fibre product in FY26 (Equity Fibre 100) designed to improve access for those most in need, with pricing set at an affordable level. • Business continuity and resilience measures designed to ensure services are quickly restored.
Opportunity: Network efficiency and operational decarbonisation. **Type:** Opportunity – Physical. **Time horizon:** Short to medium term.	**Current impact:** Electricity made up 88% of Chorus' Scope 1 and 2 emissions in FY26 and presented our best opportunity for emissions reduction. Our Energy Efficiency Programme contains a mix of climate-driven opportunities (including increasing the set point for cooling of air conditioned rooms in exchanges and our solar trial), and workstreams related primarily to network efficiency that also provide climate-related benefits (including copper retirement and the associated review of our property portfolio) to support our energy efficiency and emission reduction goals. For more detail, see 'Opportunities' on the following page. **Anticipated impact:** Ongoing scoping of emission and cost reductions.	**Progress:** • FY26 saw completion of a number of initiatives, including conversion of 44 sites to a higher set point for cooling of airconditioned rooms (rollout to continue in FY27). • In FY25 Chorus completed the installation of its roof mounted solar build on six trial exchange buildings to evaluate the feasibility of self-generation. The data from this trial, alongside work to optimise our property portfolio, will be used to support a considered decision on any broader solar installation roll out. • Chorus continues to monitor for emissions reduction opportunities to reduce its overall footprint and increase security of supply.

16 See Chorus, Whiria Te Aka Matihiko – Enabling better futures through digital equity.

Opportunities

We continued to investigate climate opportunities for our business across a number of work programmes. Our main climate related opportunities are two-fold – identifying ways to reduce our electricity use through network efficiency and operational decarbonisation, and investigating how to improve our energy and network resilience.

Network efficiency and operational decarbonisation

Despite not being driven exclusively as climate-related opportunities, certain network efficiency workstreams contribute to the Energy Efficiency Programme and provide both climate-related and cost benefits. Our ongoing retirement of the copper network continues to reduce emissions as the copper network is taken offline and copper faults decrease. Given our property portfolio was originally designed to support the copper rather than fibre network, copper retirement is expected to create opportunities over time to consolidate and reconfigure our property portfolio in ways that better support a modern fibre network. Over time, the optimisation of the property portfolio may deliver a significant reduction in our emissions as our sites and equipment are rationalised.

Energy and network resilience

We continue to investigate renewable energy opportunities in solar and electricity supply. We also reviewed how we purchase electricity to ensure our approach delivers long-term value, supports our decarbonisation goals, and increases resilience to price volatility.

While we continue to scope additional opportunities, including in our supply chain, none had a material impact in FY26. If this changes as we explore new opportunities, we will update primary users in subsequent climate disclosures.

We have nonetheless updated our assessment of which parts of our business are most aligned to potential climate opportunities in the Metrics & Targets section below.

Climate as an input to capital deployment

NZ CS 1, 14(c)

Climate risk framework

Climate-related risks and opportunities serve as an input into Chorus' business planning and capital deployment processes where relevant. Through these processes, individual business units specify the financial resources required (including capex and opex) for planned initiatives. These may include sustainability, energy or resilience-related projects, where climate risk reduction or climate-related opportunities are among the investment drivers.

Climate risks and opportunities are also incorporated into Chorus' asset management documentation including our PAMPs, and associated asset planning and investment processes. For example, we anticipate Aon's latest exposure assessment of fibre assets to inform internal modelling over time, facilitating a more focused 'climate lens' being applied to asset decisions based on the latest physical data.

Chorus has financial deployment processes available to meet both proactive and reactive expenditure requirements. This is particularly important when it comes to extreme weather events that necessitate rapid financial deployment. While overall the financial impact arising from such events was not material for Chorus in FY26, these processes ensure our flexibility to respond quickly where needed.

Climate considerations are being integrated into selected governance and decision-making processes. For example, as part of our Go to Market forum, initiative owners complete a sustainability checklist and engage with our Sustainability Team where required. A similar criterion is used by our Procurement team in purchasing decisions. We have also applied an IEP within our enterprise portfolio management office processes. While still being trialled, this enables emissions pricing to be considered in relevant investment and portfolio decisions, supported by our Sustainability and Finance Teams.

Expenditure framework still in development

Chorus previously noted our plans with respect to development of a Climate Expenditure Framework. This was in part driven by incoming mandatory disclosure requirements regarding anticipated financial impacts, in respect of which the XRB has since determined suitable for extended adoption relief. Accordingly, we made progress in FY26 but have not prioritised the finalisation of this document, preferring to await additional guidance.

Metrics & targets

Targets

NZ CS 1, 23

Chorus' climate targets remain a key part of our sustainability strategy, reflecting our ongoing focus on decarbonisation and minimising environmental impact.

We have reported on our emissions reduction progress in sustainability reporting since FY21, and in our climate statements since FY24. Our emissions targets are science-based, having been validated by the SBTi in 2024. This means they are aligned to keeping global warming within 1.5 degrees.[17]

Chorus has an absolute scope 1 & 2 target and a scope 3 engagement target (as described in the below table), which are developed in accordance with the SBTi's guidance for the Information and Communication Technology sector.[18] Neither SBTi-validated target relies on offsets.

Effect of electricity emission factor on our scope 1 & 2 SBTi target

The MfE sets a national electricity emission factor each year, reflecting shifts in the mix of electricity generation (e.g. hydro, wind, geothermal, gas, coal), storage levels and demand conditions. As the majority of Chorus' scope 1 and 2 emissions are associated with electricity consumption and we calculate our scope 2 emissions using the average emissions from New Zealand's national grid, changes in the MfE electricity emission factor each year will impact our emissions profile (see table below). Given the emission factor is out of our direct control and can fluctuate significantly year-to-year, it will continue to have an impact on our emissions profile, which is why we focus our efforts on overall electricity consumption reduction and efficient network operation.

TABLE 2: Summary of Chorus' climate targets as at FY26

AMBITION	TARGETS / OUTCOMES	PROGRESS	SUPPORTING INITIATIVES
Chorus has decarbonised and accelerated its journey to be net zero by 2050	**Verified science-based target – scope 1 and 2 emissions reduction:** Reduce absolute scope 1 & 2 emissions 62% by 2030 from a FY20 base year[19] (using location-based method).	**FY20:** 10,536 tCO2e **FY24:** 6,387 tCO2e **FY25:** 7,877 tCO2e **FY26: 5,998 tCO2e** - representing a 43% reduction achieved from FY20 to FY26.	Emissions Reduction Plan: • Scope 1: Proactive aircon maintenance has delivered a reduction in refrigerant leaks. • Scope 2: Scope 2 emissions have decreased by 45% against base year, using the 2026 MfE latest electricity emission factor.[20] **Note:** Chorus' FY20-FY23 sustainability reports describe scope 1 & 2 emissions since the base year for its emissions reduction target (FY20).[21]
	Electricity reduction goal: Reduce electricity use by 25% by FY30 against FY20 baseline , with interim milestone to reduce electricity use in FY26 by 6-9% against FY25.	**FY20:** 80.4 GWh **FY24:** 75.1 GWh **FY25:** 71.5 GWh **FY26: 66.7 GWh** - representing a 17% reduction achieved from FY20 to FY26.	• Reduced our electricity consumption against FY25 by 6.7%. • Chorus ERP modelling and copper withdrawal planning indicated Chorus' longer range target of 25% electricity reduction by FY30 remains on track.
	Verified science-based target – scope 3 engagement: Scope 3 engagement goal with 70% of suppliers by spend to have a science-based target by FY29.	**FY24:** 30% **FY25:** 43% **FY26: 55%**[22]	• Chorus continues to work with top suppliers to ensure plans are in place to set SBTI-validated targets and have emission reporting in-place. • Large new contracts and tenders include requirement for SBTi target commitment and reporting on emissions data.
	Chorus vehicle fleet reduction goal: 100% EV or hybrid fleet by the end of FY28.	**FY23:** 30% **FY24:** 37% **FY25:** 56% **FY26: 92%**	• In FY26 we replaced 13 of our diesel vehicles for a hybrid alternative, meaning our fleet is now 92% EV or hybrid and will continue to move towards hybrid or EV alternatives.

17 https://sciencebasedtargets.org/target-dashboard
18 Science Based Target Initiative, Information and Communication Technology (ICT) sector specific guidance, Guidance for ICT companies including fixed line operators.
19 In FY25, Chorus restated its base year (FY20) numbers after receiving third party assurance over its FY20 GHG Inventory by KPMG. The updated numbers were not materially different to previously disclosed numbers in Chorus' historical sustainability reports.
20 The 2026 emission factor for electricity is 22.5% lower than last year.
21 Chorus' sustainability reports describe scope 1 & 2 emissions over FY20 - FY23. As above, Chorus obtained assurance over its FY20 inventory from KPMG in FY25 and have restated these in Table 2 above, however previous inventories were not assured.
22 This represents the percentage (%) of Chorus suppliers who have already set a science-based target.

Metrics & targets (continued)

GHG Emissions Inventory

NZ CS 1, 23

GHG EMISSIONS

Table 3 provides an overview of Chorus' scope 1 & 2 emissions against base year. Table 4 provides Chorus' total Greenhouse Gas emissions for FY26 and previous years. To review the details of the calculation methods, data quality, uncertainty and other information, please refer to **Appendix 4**.

KPMG was engaged to carry out a limited assurance review of Chorus' GHG Scope 1, 2 & 3 Emissions Inventory for the reporting period (1 July 2025 to 30 June 2026) as required by NZ CS 1. KPMG's limited assurance opinion is attached as **Appendix 5**.

TABLE 3: Chorus' GHG emissions (scope 1 & 2) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

SCOPE / CATEGORY	FY20 (BASE YEAR)	FY24	FY25	FY26
Scope 1 (totals)	**962**	**913**	**644**	**743**
Stationary combustion *Includes diesel generators and natural gas*	279	340	401	523
Fugitive emissions	479	442	112	128
Mobile Combustion	203	131	131	92
Scope 2 - (totals – location based)	**9,574**	**5,474**	**7,233**	**5,255**
Scope 1 & 2 totals	**10,536**	**6,387**	**7,877**	**5,998**

TABLE 4: Chorus' GHG emissions (all scopes) in metric tonnes of carbon dioxide equivalent (t-CO_2e)

SCOPE / CATEGORY	FY24	FY25	FY26
Stationary combustion *Includes Diesel generators and Natural gas*	340	401	523
Fugitive emissions	442	112	128
Mobile Combustion	131	131	92
Scope 1 (totals)	**913**	**644**	**743**
Electricity Location based	5,474	7,233	5,255
Electricity Market based[23]	604	903	475
Scope 2 - (totals – location based)	**5,474**	**7,233**	**5,255**
Category 1 & 2 – Purchased goods and services & Capital goods (spend based)	24,337	22,398	25,981
Category 1 & 2 – Purchased goods and services & Capital goods (supplier specific data)	11,470	8,410	4,717
Category 3 – Fuel and energy use Includes T&D Losses and Well-to-Tank (**WTT**) from fuel use	3,736	3,213	2,066
Category 4 – Upstream Transportation and distribution	929	822	233
Category 5 – Waste generated in operations	13	11	14
Category 6 – Business travel *Includes Air travel, accommodation, taxis, rental car, mileage claims and EV charging*	513	497	464
Category 7 – Employee commuting *Includes employee commuting and working from home*	323	325	497
Category 11 – Use of sold products[24]	3,883	5,718	4,472
Category 13 – Downstream leased assets	735	855	416
Scope 3 (totals)	**45,939**	**42,249**	**38,859**
Scope 1, 2 and 3 totals	**52,326**	**50,126**	**44,857**

23 Scope 2 market-based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.

24 According to the GSM Association (**GSMA**) Global Enabling Sustainability Initiative (**GeSI**) scope 3 guidance for telecommunications operators, ONT could be reported either in Category 11 and Category 13. It is noted that according to the Greenhouse Gas Protocol Value Chain standard, Category 11 should report on emission using lifetime emissions. After careful consideration, internal discussion and external comparison of industry best practice, Chorus decided to report the ONT emissions under category 11 for consistency with the Telecommunication industry without applying the lifetime reporting requirements as Chorus has access to more accurate information (actual annual electricity consumption until the ONT is disconnected).

Metrics & targets (continued)

Trends analysis

Our Scope 1 & 2 emissions (5,998 tCO2e) trended down in FY26, representing a 24% reduction compared to FY25 (7,877 tCO2e) and a 6% reduction compared to FY24 (6,387 tCO2e). These FY26 reductions are the result of:

- **Scope 1:** Proactive air conditioning unit maintenance delivering a reduction in refrigerant leaks, removal of natural gas from one of our sites and the transition of 13 diesel vehicles to hybrid and electric.
- **Scope 2:** A decrease in emissions driven by both a reduction in electricity consumption (Chorus reduced its electricity consumption against FY25 by 6% (see Table 2 for progress against targets)), and a reduction in MfE's national electricity emission factor (the 2026 emission factor for electricity is 22.5% lower than FY25).[25] Given these emission factors are out of our direct control and fluctuate year-to-year, they will continue to have an impact on our emissions profile, which is why we focus our efforts on overall electricity consumption reduction and efficient network operation.

Our Scope 3 emissions reduced by 3,390 tCO2e between FY25 and FY26, compared to a 3,689 reduction between FY24 and FY25. The reduction in Scope 3 emissions in FY26 is primarily due to:

- **Category 13 leased assets** – Spark removed outdated technology and equipment from co-location and leased space.
- **Freight** – As Chorus moved from building the network to operating it, our requirement for raw materials and associated freight also reduced.
- **Field Service Agreements (FSA)** – Improved data quality to assess fuel use by service companies delivering Chorus services has helped reduce emissions.

Consolidation approach and standards

NZ CS 1, 24(a)-(c)

Consolidation approach: In measuring GHG emissions, Chorus uses an operational control consolidation approach (defined by the GHG Protocol) that includes Chorus New Zealand Limited only, as its operating company and sole subsidiary of its parent company, Chorus Limited.

GHG emissions standards: Chorus' GHG emissions have been measured in accordance with:

- Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition).[26]
- Greenhouse Gas Protocol - GHG Protocol scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.[27]
- Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.[28]
- Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 Emissions.[29]

Other guidance used:

- ISO 14064 – 1:2018 – Greenhouse gases Part 1.
- GSM Association (**GSMA**), the Global Enabling Sustainability Initiative (**GeSI**) and the International Telecommunication Union (ITU-T) – Scope 3 Guidance for Telecommunication Operators.[30]
- Ministry for Environment – Measuring emissions: A guide for organisations.[31]

Source of emission factors and Global Warming Potential (GWP) rates: Chorus reports its GHG emissions in tonnes of CO_2 equivalents (tCO_2e). As part of its reporting, activities contributing to all relevant seven Kyoto Protocol gases were considered: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) in compliance with the requirements set by the GHG emissions standards listed above.

25 The MfE publishes an updated electricity emission factor each year, reflecting shifts in the mix of electricity generation (e.g. hydro, wind, geothermal, gas, coal), storage levels and demand conditions. As the majority of Chorus' scope 1 and 2 emissions are associated with electricity consumption and we calculate our scope 2 emissions using the average emissions from New Zealand's national grid, changes in the MfE electricity emission factor each year increase or decrease our emissions profile.
26 Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
27 GHG Protocol scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.
28 Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
29 Greenhouse Gas Protocol – Technical Guidance for Calculating Scope 3 Emissions.
30 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – Scope 3 Guidance for Telecommunication Operators.
31 Ministry for Environment – Measuring emissions: A guide for organisations.

Metrics & targets (continued)

All purchased and generated energy emissions are dual reported[32] using both location based and market-based methods.

The sources of emissions factors and associated GWP rates for Chorus' emissions are:

- New Zealand Ministry for the Environment's 2026 Guidance for Voluntary Greenhouse Gas Reporting.
- Business, Energy & Industrial Strategy Formerly, Department for Environment, Food, and Rural Affairs (**Defra**) (UK) – Greenhouse gas reporting: conversion factors 2026.
- Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v3.0c March 2026.[33]
- Bravetrace interim residual supply factor for Market based reporting, June 2026.[34]

All reported greenhouse gas emissions are presented in gross tonnes of carbon dioxide equivalent (tCO_2-e) and have been calculated using IPCC AR5 global warming potential factors over a 100-year time horizon.[35]

It is a requirement under ISO14064–1:2018 and the Greenhouse Gas Protocol to consider, assess and disclose the uncertainty associated with a Greenhouse Gas Inventory. The nature of GHG emissions inventory reporting means there will always be a level of uncertainty, especially within scope 3. To minimise this uncertainty, source data has been used where possible. Where uncertainty exists or source data is unavailable, a conservative estimation approach has been taken. Where emission factors are historical (i.e. Thinkstepanz – Greenhouse Gas Emissions for Commodities and Industries v3.0c March 2026), an adjustment for inflation has been applied. These estimation uncertainties have been disclosed in the table in **Appendix 4**, in alignment with the requirements of the standards (listed above).

Exclusions

NZ CS 1, 24(d)

Specific emission sources have been identified and excluded from Chorus' GHG emissions calculation in FY26. These sources are either not applicable to Chorus' operations or are relevant but are either not material in the context of the GHG inventory (less than 5% of overall emissions), not material to stakeholders, and/or not technically feasible or cost effective to be quantified at present.

TABLE 5: Exclusions

Scope / category	Greenhouse emission source or sink	Reason for exclusion	Est. size of exclusion tCO_2e	% of total inventory
Scope 3 / Category 1 Scope 3 / Category 2	Purchased goods and services Capital goods	Our top 146 suppliers provided coverage for 96% of our corporate spend in FY26. The remaining 4% of spend consists of a high volume of low value suppliers. Noting the extensive work that would be required to estimate emissions for these suppliers, and their low business impact given their individual dollar value, we have assessed these as immaterial.	2,016	4.5%
Scope 3 / Category 4 Scope 3 / Category 9	Upstream transportation and distribution Downstream transportation and distribution	We have done a spend based estimate testing and the potential additional freight has been assessed as immaterial.	80	0.18%
Scope 3 / Category 8	Upstream leased assets	Chorus does lease some assets, but these emissions are accounted for within our scope 1 and 2 respectively.	n/a	n/a
Scope 3 / Category 10	Processing of sold products	This Category includes the further processing of intermediate products (e.g. material, component) sold to downstream companies and is normally not considered relevant to telecommunication operators.	n/a	n/a
Scope 3 / Category 12	End of life treatment of sold products	Inclusion of end-of-life treatment of sold goods is particularly challenging because of lack of access to accurate data, the need for assumptions about end-of-life preferences of customers, low accuracy of supplier emission factors (**EFs**) and limited availability of country specific data.	n/a	n/a
Scope 3 / Category 14	Franchises	Chorus does not have any franchises.	n/a	n/a
Scope 3 / Category 15	Investments	Chorus does not have any relevant investments.	n/a	n/a

32 Dual reporting illustrates the role of supplier choice, onsite renewable energy generation and contractual instruments in managing indirect emissions from energy alongside any ongoing energy efficiency and reduction efforts.
33 Thinkstep-anz – Greenhouse Gas Emissions for Commodities and Industries v3.0c March 2026.
34 Bravetrace, Residual Supply Mix factor publication, June 2026.

Metrics & targets (continued)

Emissions intensity

NZ CS 1, 22(b)

Chorus monitors emissions intensity against the amount of data transmitted across its network in petabytes (**PB**). As the amount of data transmitted on its network steadily increases as more people and devices connect, its emissions intensity decreases. While this is not a formal target, Chorus aims to achieve and maintain an emissions intensity of under 1 (tCO_2e/PB). Chorus calculates the emission sources in the intensity calculation using scope 1 & 2 emissions only. Chorus chose a per petabyte measure as this measure is the most relevant to its business. Additionally, Chorus reports on scope 1, 2 & 3 per million dollars of revenue as it is the most relevant intensity measure when covering all emissions scopes.

TABLE 6: Scope 1 & 2 GHG Emissions intensity (tCO_2e /PB)

Financial year	Data traffic (PB)	Scope 1 and 2 (tCO_2e)	Emissions intensity (tCO_2e/PB)
FY24	7,974	6,387	0.80
FY25	8,741	7,877	0.90
FY26	**9,601**	**5,998**	**0.62**

TABLE 7: Scope 1, 2 and 3 GHG emissions intensity per million-dollar revenue (tCO_2e/M$)

Financial year	Million-dollar revenue (M$)	Scope 1, 2 and 3 (tCO_2e)	Emissions intensity (tCO_2e/M$)
FY24	1,010	52,326	52
FY25	1,014	50,126	49
FY26	**1,029**	**44,857**	**44**

Trends analysis

The amount of data traffic has increased in each of the past three financial years. Emissions intensity has continued to trend downwards from FY24 to FY26 because, as the amount of data transmitted on the Chorus network steadily increases (i.e. as more people and devices connect), our emissions intensity decreases.[35]

OTHER METRICS

Transition risks

NZ CS 1, 22(c)

Chorus conservatively estimates that all (100%) of our business activities are vulnerable to climate-related transition risks to some degree (FY25: 100%; FY24: 100%). These include risks related to the transition to a low-emissions, climate-resilient global and domestic economy arising from policy, legal, technology, market, and reputation changes.

By way of example, as a regulated entity, Chorus is subject to price-quality regulation and a revenue cap set by the Commerce Commission. The expenditure allowances set by the Commerce Commission for asset management practices, resilience, and adaptation planning need to be sufficient for Chorus to deliver climate resilience initiatives. Chorus continues to manage exposure to this risk by monitoring regulatory change and advocating for appropriate regulatory outcomes. The mitigation measures we apply to other identified transition risks are set out in Table 1 above.

In FY26, we workshopped the extent of our exposure to transition risks and concluded that a conservative estimate of 100% vulnerability remains prudent at this time, noting the high levels of uncertainty in this area. As our understanding of transition risks continues to mature, Chorus intends to further refine its methodology, improving our asset vulnerability assessments, financial impact analysis and climate risk quantification to strengthen our assessment of transition risks over time.

Trends analysis

Consistent with its FY25 and FY24 climate statements, Chorus estimates that all (100%) of its business activities remain vulnerable to climate-related transition risks.

35 Chorus monitors emissions intensity against the amount of data transmitted across its network in petabytes (PB).

Metrics & targets (continued)

Physical risks

NZ CS 1, 22(d)

In FY26, we engaged Aon to update its assessment of Chorus' fibre assets exposure to physical climate hazards, based on updated scenarios[36] and data mapping. This also included expanding the scope of hazards to capture wind, temperature and landslide.

We consider that asset exposure remains the best proxy measure for assessing Chorus' climate vulnerability to physical risk at this time, which was the focus of Aon's assessment.[37] Chorus integrated Aon's 2023 site-level exposure mapping data (primarily flood hazard information) into its site investment categorisation to ensure that physical climate risk exposure is considered when assessing site condition, prioritising investment decisions, and planning future works. We intend to use Aon's latest exposure assessment of fibre assets to further inform our internal modelling over time.

Aon's results indicate:

- exposure is concentrated in a relatively small number of regions and hazards
- fluvial flooding (rivers and streams breaking their banks and flooding adjacent low-lying areas) continues to be the dominant driver of exposure (as was the case in FY24 and FY25), with coastal flooding representing a secondary contributor, and
- other hazards, including pluvial flooding (surface water flooding caused by intense rainfall exceeding local drainage capacity) and landslide, are more localised in nature and contribute less at a portfolio level.

Exposure also varies across asset types:

- exchanges and fibre infrastructure exhibited the highest levels of exposure. While 24% of exchanges (FY25: 23%; FY24: 23%) would potentially face exposure from fluvial flooding under the two global emissions scenarios used by Aon, only 4% have high to very high exposure (FY25: 11%; FY24: 11%). Similarly, 20% of our underground fibre (FY25: 18%; FY24: 18%) faced some exposure from fluvial flooding under the two global emissions scenarios, but only 4% has high to very high exposure.[38] Our fibre infrastructure has higher exposure because the network extends across New Zealand and intersects with multiple hazard zones, particularly along transport corridors and river crossings.

Trends analysis

Aon's FY26 updated assessment of Chorus' fibre assets exposure to physical climate hazards has not resulted in any material increase in exposure compared to Aon's previous assessment in 2023 (which formed the basis for our physical risk exposure in FY24 and FY25). Differences are due primarily to updated hazard datasets, revised exposure classifications and methodological changes between the assessments. While additional hazards were included in the FY26 assessment (landslips, wind and temperature), the analysis also supported our existing internal view of network exposure from direct climate hazards. The FY26 assessment also focused on Chorus' fibre network, whereas the 2023 assessment considered a broader network asset base that included copper-related infrastructure.

Climate-related opportunities

NZ CS 1, 22(e)

For FY26, we have taken a different approach to our opportunities reporting, choosing to report on our wider Energy Efficiency Programme (under the 'network efficiency and operational decarbonisation' heading) as a climate-related opportunity.

Chorus progressed the following climate-related opportunities in FY26 under the Energy Efficiency Programme:

- Increase the temperature set point required in exchanges before active cooling is triggered. In FY26, 44 (approximately 10%) of the identified sites were converted, with work due to continue in FY27.
- Solar trial - following a feasibility study in FY24, Chorus installed roof mounted solar on six trial sites in FY25, covering approximately 1% of suitable exchange sites. In FY26, we paused installation on further sites (existing coverage remains at 1%) to evaluate findings from the first stage of the trial. The trial is also paused while we assess related workstreams that may impact selection and feasibility of future solar sites, including property optimisation, resilience planning and alternative energy storage projects.
- Continued retirement of the copper network. At 30 June FY26, 44,000 copper connections remain out of 1,191,000 total fibre and copper connections (a reduction of 48,000 copper lines in FY26).

While retirement of the copper network was noted as a climate-related opportunity in Chorus' FY24 climate statements, we did not recognise it as a material climate-related opportunity in FY25, so did not provide comparative information. Information is provided for copper retirement in FY26 as one of the initiatives that sits within the Energy Efficiency Programme.

Trends analysis

Chorus continues to review opportunities as they arise – in FY26, we paused further roof mounted solar installations while we assess findings from the first stage of the trial and consider how related workstreams may impact selection and feasibility of future solar sites, including property optimisation, resilience planning and alternative energy storage projects. Our Energy Efficiency Programme continues to provide energy reduction opportunities.

Other opportunities have been reviewed but none are considered material in FY26.

36 Aon's assessment scenarios were aligned with the IPCC Sixth Assessment Report (AR6) and NIWA downscaled CMIP6 datasets across present-day, mid-century (2040), and late-century (2090) conditions under SSP2-4.5 and SSP3-7.0 scenarios. These SSP2-4.5 and SSP3-7.0 scenarios are aligned with those used for the Telecommunications Sector Scenario analysis referred to on pages 10-11.
37 Aon's assessment did not consider the extent of Chorus' existing mitigations and adaptive capacity of our assets.
38 The 2023 Aon report did not record any high to very high exposure metrics for fluvial flooding for underground fibre routes.

Metrics & targets (continued)

Capital deployment

NZ CS 1, 22(f)

FY26 climate-related capital and operating expenditure was ~$3 million (FY25: <$1 million; FY24 ~$4.2 million). This includes expenditure related to capital and operational cost in response to several extreme weather events during FY26 and continued capital expenditure for projects relating to Cyclone Gabrielle (approximately $1.3 million in FY26, bringing total investment across FY24–FY26 to approximatively $8.4 million). This highlights that the financial impacts of significant climate events can extend across multiple reporting periods, particularly for infrastructure-intensive networks where restoration and resilience works are staged over time.

The Cyclone Gabrielle recovery also underscored Chorus' dependence on other critical infrastructure providers—including power and transport networks—for timely restoration, reinforcing findings from New Zealand's National Climate Change Risk Assessment that effective climate resilience requires coordinated, cross-sector collaboration.[39]

Consistent with FY25, capital expenditure in FY26 did not meet Chorus' quantitative financial materiality threshold, with Chorus not experiencing any material impacts from climate change during FY26.

Trends analysis

Climate-related expenditure in FY26 increased compared to FY25 as a result of numerous weather events during the year and ongoing capital expenditure for work relating to Cyclone Gabrielle. The bulk of our climate-related expenditure was in FY24 and was Cyclone Gabrielle related.

While the majority of our climate related capital deployment was spent responding to weather events, we also deployed expenditure on network efficiency and investigating renewables opportunities.

Internal Emissions Price (IEP)

NZ CS 1, 22(g)

Chorus adopted an IEP in FY25 which remains the same in FY26 (no IEP was in place for FY24). This is an interim shadow carbon price of $140/tCO$_2$e, informed by the Climate Change Commission's 2021 guidance which we are using while we test how best to integrate the IEP across the business. Through the IEP, we aim to incorporate the cost of carbon into appropriate business decision-making and support alignment with our emissions reduction targets. The IEP is intended to enhance visibility of any emissions impacts a project may have, enabling these to be considered alongside financial metrics.

In FY25, Chorus also established an Emissions Committee to govern development of the framework.

The IEP was piloted across selected projects over FY25-FY26 to test integration into business cases, assess impacts on project evaluation, and build organisational capability.

[39] New Zealand's National Climate Change Risk Assessment 2026.

At this stage, the IEP operates as a supplementary analytical tool for our existing financial decision frameworks. Chorus intends to progressively expand testing and application of the IEP to appropriate procurement and operational decision-making over time, supporting consideration of low-emissions options and incorporation of emissions costs into total cost assessments.

Ongoing oversight by the Emissions Committee is intended to include periodic review of the carbon price (we intend to review the interim shadow price in FY27) to ensure alignment with industry and market developments, regulatory expectations and Chorus' climate objectives.

Our IEP therefore remains under development, with future priorities focused on considering the extent of integration with financial modelling processes, and improving data consistency.

Trends analysis

There has been no change in our IEP of $140/tCO$_2$e from FY25 to FY26 (no IEP was in place for FY24). The IEP currently operates as a supplementary analytical tool for our existing financial decision frameworks.

Remuneration

NZ CS 1, 22(h)

All Chorus Executives have a strategy execution (company scorecard) KPI linked to their short-term incentives (consistent with FY24 and FY25), which includes components relating to implementation of Chorus' sustainability strategy and achieving progress towards Chorus' sustainability targets set out in Table 2 (such as reducing emissions and with a key FY26 focus on electricity consumption).

The Executive General Manager – Frontier, as the executive responsible for Chorus' sustainability programme, has the execution of that programme (including climate-related risks and opportunities) taken into account as part of their annual performance and remuneration review.

Trends analysis

While there has been no change in the underlying short term incentive framework from FY24 to FY26, the performance goals are set and reviewed each year by the Chorus Board. There has been an emissions reduction component over each of the three years, reflecting Chorus' commitment to achieving its emissions targets.

Other industry-based metrics

NZ CS 1, 21(b)-(c)

Chorus does not use any other industry-based metrics used to measure and manage climate-related risks and opportunities.

Governance

GOVERNANCE BODY OVERSIGHT

Identity of governance body

NZ CS 1, 7(a)

The Chorus Board oversees Chorus' strategy, risk management and governance frameworks, with primary oversight of our climate response, including climate-related risks and opportunities, provided by the ARMC. There were no material changes to these climate-related governance arrangements in FY26.

The Board's Charter includes the following responsibilities relevant to our climate programme:[40]

- establishing Chorus' governance-level strategic direction
- approving Chorus' risk strategy and setting its risk appetite
- monitoring Chorus' financial performance and overseeing Chorus' achievement of its strategic objectives
- monitoring compliance with regulatory and other external requirements.

Specifically in relation to governance and sustainability matters, the Board is responsible for:

- adopting and monitoring the effectiveness of Chorus' governance policies and practices, including satisfying itself that an appropriate framework exists for information to be reported by Management to the Board
- approving Chorus' sustainability strategy
- overseeing the social, ethical, and environmental impact of Chorus' activities.

The Board's delegation of certain functions to Board Committees is set out in Committee Charters. The ARMC is responsible for overseeing Chorus' climate-related risks and opportunities, and also oversees and monitors progress regarding implementation of Chorus' sustainability strategy and preparation of our climate disclosures. The ARMC's work underpins the Board's strategic oversight of Chorus' sustainability performance.

40 Chorus Board Charter (as at April 2026).

Governance (continued)

Climate governance structure chart FY26

NZ CS 1, 9(b)

ORGANISATION CHART AND INFORMATION FLOW	REGULARLY (MONTHLY TO QUARTERLY)	ANNUALLY / BIANNUALLY	AS REQUIRED
CHORUS BOARD OF DIRECTORS Approves Business Strategy and Sustainability Strategy	• As part of its broader leadership and oversight role, oversees the social, ethical and environmental impact of Chorus' activities.	• Reviews sustainability progress (including targets) annually.	• Sets the business strategy.
AUDIT AND RISK MANAGEMENT COMMITTEE (ARMC) Oversees the implementation of Chorus' Sustainability Strategy	• Oversees and monitors progress in the implementation of Chorus' Sustainability Strategy and compliance with the CRD regime.	• Reviews climate-related risks and opportunities (annually). • Reviews Chorus' climate-related disclosures compliance and recommends climate statement for approval by Board (annually).	
CHORUS EXECUTIVE TEAM Endorses Sustainability Strategy Proposes new sustainability targets & programmes of work. Reviews climate risks and opportunities to present to ARMC annually Proposes Business Strategy	• Provides sustainability leadership within Chorus.	• Monitors progress against the Sustainability Strategy (bi-annually). • Reviews any new sustainability targets proposed by the Head of Sustainability (annually). • Reviews climate related risks and opportunities. • Receives a general sustainability progress report (bi-annually).	• Proposes the business strategy for Board endorsement. • Reviews any new sustainability targets proposed by the Head of Sustainability. • CEO reviews Sustainability Policy.
HEAD OF CORPORATE AFFAIRS & SUSTAINABILITY Designs and implements Sustainability Strategy / identifies material focus areas to guide business activity and internal resource allocation Monitors and reports progress on risks and opportunities, targets and metrics annually	• Designs and implements the Sustainability Strategy.	• Reports on sustainability progress to Executive, ARMC and Board (bi-annually).	• Proposes Sustainability Strategy, targets, goals and programmes of work to CEO and executive team. • Communicates Sustainability Strategy and progress with key stakeholders. • Reviews Sustainability Policy.
SUSTAINABILITY TEAM / ASSET MANAGERS KEY INTERNAL STAKEHOLDERS Climate assessments underway for climate mitigation and adaptation Monitors and reports on progress on strategy, risks and opportunities and disclosure compliance Provide sustainability guidance and engagement	• Work across Chorus to improve sustainability performance and integrate sustainability initiatives into the business. • Develop and communicate quarterly emission reduction dashboards to senior leaders (executive members and their direct reports). • Provide input into sustainability programmes and activities to help us progress towards our targets.	• Review the climate-related risks and opportunities register (annually). • Assess climate mitigation and adaptation risks and mitigations and incorporate into asset management plans and financial planning as appropriate.	• Inputs into the Chorus sustainability strategy and targets as required.
ALL CHORUS PEOPLE	• Aware of Sustainability Strategy, support execution of sustainability priorities and consider sustainability impacts in decision making, where applicable.		

Governance (continued)

Climate reporting processes and frequency – governance body

NZ CS 1, 8(a)

Chorus' dedicated climate-related risks and opportunities register is reviewed annually. This is facilitated by the Corporate Affairs & Sustainability Team.[41] It is then reviewed by Chorus management, and endorsed by the ARMC.

The ARMC meets four times a year (including in FY26), with all directors invited to attend. It received climate-related disclosure updates at each meeting in FY26. The Board receives a report back from the ARMC (containing any recommendations by the ARMC to the Board) at each subsequent Board meeting.

A broader sustainability update (that is not specific to climate-related matters and includes strategy, environmental and social/digital equity initiatives and progress updates) is provided at least annually to the Board by the Head of Corporate Affairs & Sustainability. One such update was provided in FY26. The ARMC also approved the process for the preparation of Chorus' climate statements again in FY26, supported by advice from external advisers, and reviewed and approved Chorus' FY26 climate statements.

Skills and competencies

NZ CS 1, 8(b)

Chorus uses a skills matrix to ensure directors have an appropriate range of skills and competencies. Directors build sustainability and climate expertise through ongoing education, training from external experts, and engagement with the Corporate Affairs & Sustainability Team. This complements directors' broader skills and competencies maintained across related disciplines such as governance, regulation, and infrastructure.

In FY26, directors participated in two climate-related briefings by an external provider, focussing on nature-related impacts and disclosures and developments in climate-related disclosures respectively.

Sustainability and climate governance expertise is also a consideration when recruiting new Chorus directors.

Consideration of climate-related risks and opportunities in Chorus strategy

NZ CS 1, 8(c)

The Board is ultimately responsible for Chorus' strategic direction and performance. This includes establishing Chorus' governance-level strategic direction. As noted above, the Board also approves Chorus' sustainability strategy and is responsible for overseeing the social, ethical and environmental impact of Chorus activities.

The ARMC is specifically responsible for monitoring progress in the implementation of Chorus' climate strategy (meaning the climate aspects of our sustainability strategy), including oversight of climate-related risks and opportunities.

These responsibilities are reflected in the Board and ARMC Charters that applied in FY26.

In FY26, climate-related considerations (including climate-related risks and opportunities) sat under the 'Thriving Environment' element of Chorus' sustainability strategy.

40 These teams were merged in FY26.

Strategic focus areas underpinning this are described in the strategy section above. These are anchored in our corporate purpose.

Chorus' sustainability strategy was updated in FY26, led by the Head of Corporate Affairs & Sustainability, with the evolved strategic focus areas endorsed by Management and approved by Board.

Implementation of workstreams under the sustainability strategy is primarily overseen by the ARMC, with additional sustainability updates to Board. This includes reporting progress against the sustainability strategy and associated targets.

Setting and overseeing climate targets and metrics

NZ CS 1, 8(d)

Targets

Under Chorus' Sustainability Policy, the Board and/or ARMC:

- provide oversight of Chorus' sustainability direction, including strategy, climate-related risks and opportunities and external disclosures, and
- review, consider and provide feedback on Chorus' sustainability reporting including the endorsement of any new sustainability targets or strategy.

The Corporate Affairs & Sustainability Team are responsible for developing and recommending sustainability targets, in consultation with the wider business and in alignment with corporate strategy. New targets must be agreed by Management, before being provided for director endorsement.

The climate targets noted in the Metrics & Targets section above were put in place prior to these governance requirements, and were designed by Chorus' then Head of Sustainability, approved by Management and noted by the Board.

Progress against targets

Similarly, in relation to Chorus' progress against climate targets, this is monitored by the Corporate Affairs & Sustainability Team who also provide advice to the wider business on sustainability performance. Progress updates are provided as part of standing Management and Board/ARMC engagements.

Remuneration policies

All Chorus Executives have a sustainability strategy execution component for their short-term incentives (consistent with FY24 and FY25). The key metrics for FY26 include achieving progress towards Chorus' sustainability targets set out in Table 2 (such as reducing emissions), with the key FY26 focus being on electricity consumption. The Executive General Manager – Frontier, as the executive responsible for Chorus' sustainability programme has the execution of that programme (including climate-related risks and opportunities) taken into account as part of their annual performance and remuneration review.

The Board oversees achievement of such metrics and targets through reports from the ARMC, sustainability updates, and the annual performance review process for the CEO. The CEO's performance is reviewed by the People, Performance and Culture Committee each year, which makes recommendations to the Board in respect of key performance objectives.

Governance (continued)

MANAGEMENT'S ROLE

Management's role in relation to climate risks and opportunities

The Board delegates management responsibility for Chorus' risks to the CEO and Executive Team.

Executives and their respective teams are given appropriate guidelines for the day-to-day management of risk, including climate risk where applicable, through Chorus' Managing Risk Policy and Sustainability Policy. Further details of Chorus' climate risk management framework are set out in section 5 below.

Under the Managing Risk Policy, the CEO is responsible for promoting a proactive risk management culture aligned to the Board's risk appetite, reviewing and reporting any changes to principal risks to the ARMC, and monitoring action plans to mitigate material risks. The CEO and Executive Leadership Team are responsible for providing leadership on risk management including by owning relevant principal, business units and emerging risks, establishing clear responsibilities for the management of risks, and ensuring appropriate mitigations are in place and effect.

Under the Sustainability Policy, Executive Leadership (in particular the Executive General Manager – Frontier) is responsible for providing sustainability leadership within Chorus by integrating sustainability considerations, including climate risks and opportunities, across strategic planning, day-to-day operations, cultural initiatives, and external relationships.

Delegation of climate responsibilities

NZ CS 1, 9(a)

Chorus' Corporate Affairs & Sustainability Team coordinates development and implementation of the sustainability strategy, including climate targets and key programmes of work, as well as reporting to the Executive, ARMC and Board on sustainability progress.

This team works across Chorus within a cross-functional 'sustainability network' that aims to improve sustainability performance and integrate sustainability considerations into day-to-day business planning and strategy, risk management, processes, and culture.

The Head of Corporate Affairs & Sustainability reports to the Executive General Manager – Frontier.

The Assistant General Counsel for Regulation, Risk & Compliance (**RR&C**) is responsible for enterprise-wide risk assessment and management, including the incorporation of risks into Chorus' risk register and reporting to the CEO, Executive, ARMC and Board. The Assistant General Counsel RR&C reports to the General Counsel. Risks are assigned to relevant members of the Executive responsible for their management and mitigation. For example, the Chief Technology Officer is responsible for technological and operational risks related to Chorus' nationwide physical network. The CEO and Executive hold collective responsibility for considering how risks and events may interrelate across categories, and for managing Chorus' overall risk profile. Mitigation measures include planning for network deployment and protection, as well as ongoing maintenance and fault management.

In addition, the Corporate Affairs & Sustainability Team and Executive responsible for sustainability (Executive General Manager – Frontier) share specific climate-related risks and opportunities with the ARMC annually, and broader sustainability updates are provided to the ARMC and/or the Board at least annually.

Climate reporting processes and frequency – management

NZ CS 1, 9 (c)

Chorus' Executive Team reviews the management of climate-related risks and opportunities assigned to their areas of the business annually, as well as ensuring key decisions take risk factors into account and are consistent with the Board's risk appetite.

Climate-related risks and opportunities were reviewed by the full Executive in FY26 and endorsed by the ARMC.

The Corporate Affairs & Sustainability Team, including the responsible Executive, updates wider Executive during the year on progress against sustainability targets and discusses new strategy initiatives ahead of those being presented to the ARMC.

During FY26, three updates were provided to Executives covering our emission reduction plan modelling, climate risks and opportunities and on the updated Corporate Affairs & Sustainability Strategy. Emissions reduction dashboards are also included in the quarterly financial report presented to Executives. Sustainability and climate considerations are also embedded into different operational workstreams at Chorus, such as our Go to Market process and EPMO, as noted in the 'Climate as an input to capital deployment' section above.

Risk management

Chorus' risk management frameworks allow us to proactively manage risk. We define 'risk' as anything that could impact on Chorus' ability to achieve its goals. The climate risk and opportunity framework that applied in FY26 (described below) is aligned and integrated into Chorus' enterprise-wide risk framework.

Our Managing Risk Policy sets out Chorus' enterprise-wide risk management framework, including the processes we apply to risk identification, reporting, mitigation and ownership allocation.

The Board is ultimately responsible for risk management governance. Its responsibilities include:

- approving the Risk Management Policy and supporting frameworks to promote a proactive risk management culture, setting Chorus' risk appetite and reviewing Chorus' principal and emerging risks annually
- through the ARMC, providing oversight and monitoring, including through receipt of regular reporting from the Executive on principal risks (in FY26, the ARMC received quarterly risk reporting), and
- annual review of the risk appetite and tolerance statements and principal and emerging risks.

Responsibility for day-to-day risk management is delegated to the CEO and relevant Executives.

Our enterprise framework is described in the following section. This is supplemented by dedicated risk registers maintained by specific business units, including for climate. These dedicated risk registers are compiled using consistent risk processes and principles, and integrated into our broader framework.

Chorus enterprise-level risk management process

NZ CS 1, 17 and 18

Enterprise risk management is the process we apply to identify potential elements that may impact Chorus' ability to achieve its strategic objectives, and ensure risks are managed within the relevant risk appetites set by the Board.

The diagram opposite depicts the enterprise-wide risk management framework that applied in FY26.

This framework supports Chorus' Managing Risk Policy and is approved by the Board and updated periodically. There were no material updates in FY26.

Chorus' overall risk approach is shaped around four interlinking risk elements: Principal Risks, Business Unit Risks, Emerging Risks and Unforeseen Risks. Principal Risks are reviewed annually by the Executive team and endorsed by the Board.

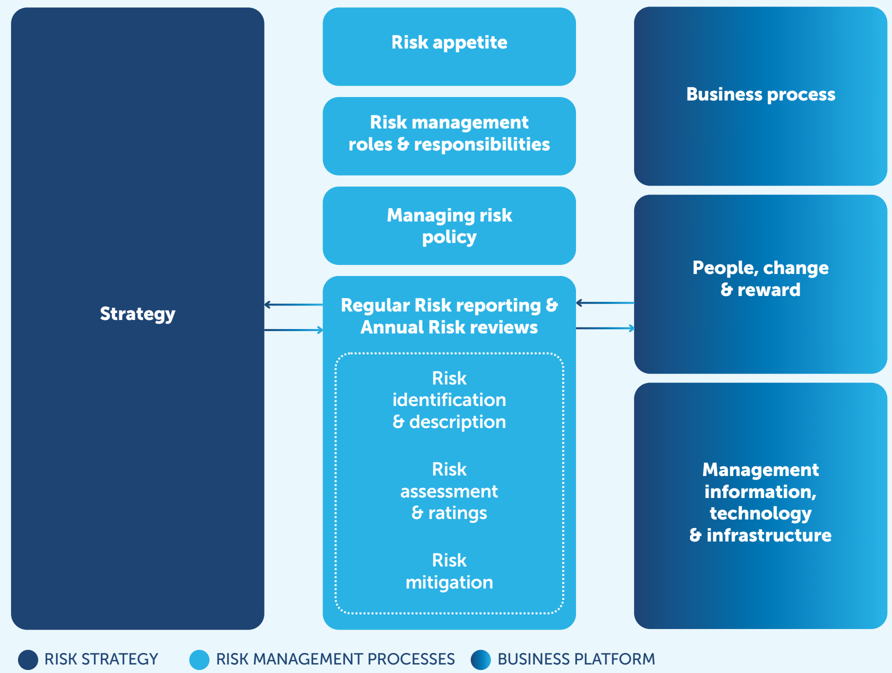
Within this framework, potential impacts associated with climate change were identified as both 'Principal risk' and 'Emerging risk' in FY26:

- **Principal Risks** – Risks to service availability and network assets in light of increasing weather, climate events and other outages, including potential stakeholder and regulatory implications, were identified as a Principal Risk area.
- **Emerging Risks** – Climate and nature driven risks were identified as an Emerging Risk area, defined as potential longer-term impacts on Chorus and broader infrastructure, assets and operations including increased pressure around emissions targets.

The Board's current risk appetite statement also provides that Chorus will ensure climate mitigation and adaptation is part of how it achieves its strategic objectives.

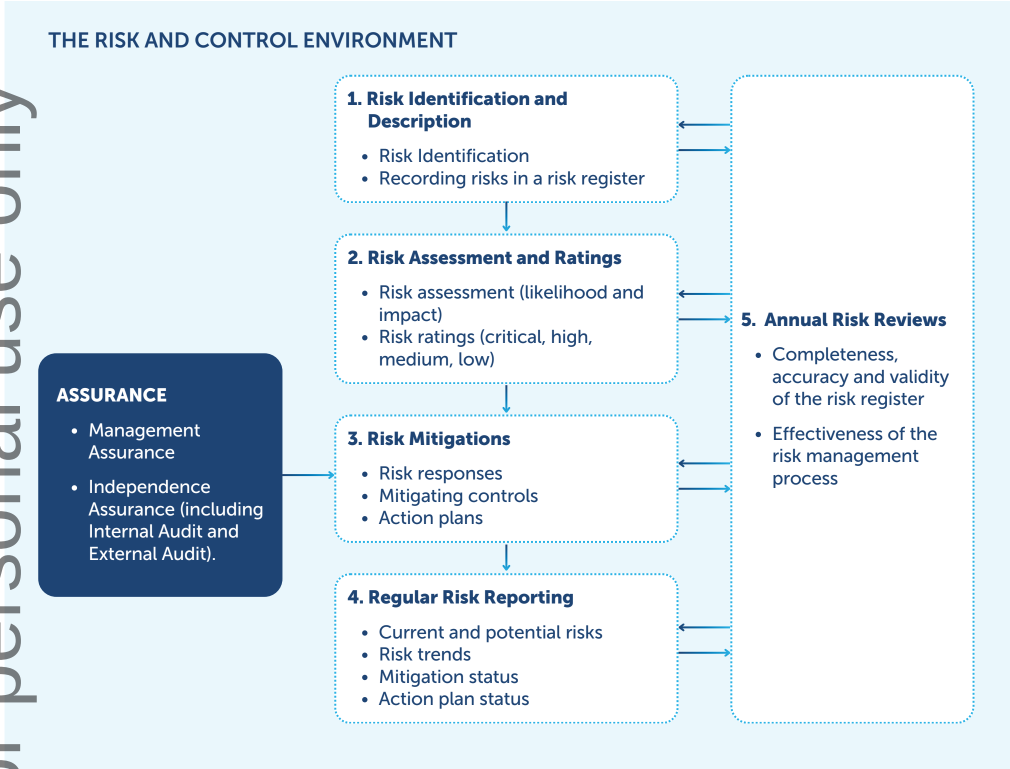
Specific climate risks and opportunities have also been managed under a dedicated climate risk management framework since 2023. This framework is aligned to, and consistent with, Chorus' broader risk management framework, and uses similar processes to identify, assess, prioritise, and manage climate risks which are tracked in a dedicated register. It is through this process and risk register reporting that Chorus identifies its material risks for disclosure purposes, as set out in the above section.

THE ENTERPRISE RISK MANAGEMENT STRATEGIC PROCESS



Risk management (continued)

The diagram below depicts the key elements of Chorus' risk management processes, which are applied in the climate context. This follows the principles of ISO-31000 – Risk management across each core process.



Climate risk and opportunities – identification, assessment, prioritisation, and management

NZ CS 1, 18 and 19

Chorus' core processes for identifying, assessing, prioritising, and managing climate risk and opportunities remained consistent with FY24 and FY25.

For simplicity, key aspects are set out in the table below:

CHORUS' APPROACH TO CLIMATE RISK	
1. Identify	• Chorus' climate-related risks and opportunities register operates within our enterprise-wide risk management framework. • Key elements identified are the risk trigger, risk type (physical, transitional or both), risk category, time horizon, likelihood and impact, and responsibility. • Annual reviews consider whether new/existing key risks remain appropriate having regard to any recent events, reports, and stakeholder feedback. • Climate risks can also be identified through additional channels, including workshops, third party assessments, stakeholder feedback, involvement in sector-wide analysis, and 1-to-1 conversations.
2. Assess	• Mitigating controls for risks are evaluated and actions assigned. • Consistent with Chorus' enterprise-wide framework, climate risk is assessed based on a combination of the impact and likelihood of an event occurring, resulting in a risk rating of 'critical', 'high', 'medium' or 'low'. Chorus' methodology utilises both financial and nonfinancial measures to allow for consistency in assessment across all risk types, including climate risks. • Outside of the annual review, updates to mitigating controls take place as needed. In FY26, this was led by the Environmental Lead for Governance and Compliance.
3. Prioritise	• The assignment of ratings to key risk areas inherently involves prioritisation, and reflects Chorus' hierarchy of 'principal risks', 'business unit risks', 'emerging risks' and 'unforeseen risks'. • Within the climate risk register individual risks are similarly afforded a 'critical', 'high', 'medium' or 'low' rating. Risks are assigned to a risk owner for management, and risk mitigation initiatives are identified. • Management and mitigation initiatives are prioritised to reflect, among other things, those which have the most significant potential impact, any cost/benefit analysis undertaken, Executive preference and resource availability.
4. Manage	• Business owners are assigned to each climate risk, including annual reviews. • The overall purpose of risk reporting is to enable effective and ongoing assessments of whether current risk positions are acceptable. This includes considering the acceptability of inflight/proposed actions and timelines and whether additional actions, budget and/or resources are required to mitigate the risk. • The ARMC receives quarterly reporting outlining how principal risks are being managed to assist in the achievement of strategy, risk drivers and areas for potential discussion.

Risk management (continued)

Time horizons

NZ CS 1, 19(b)

Chorus' climate risk horizons (applied from 2025) are based on short, medium, and long-term timeframes, as outlined below:

- **Short term (5 years: 2030)** – Aligns to telecommunications emissions reduction targets and Chorus' regulatory periods.
- **Medium term (15 years: 2040)** - Aligns with Chorus' 10-year strategic planning horizon, along with average life of electronic network equipment.
- **Long term (30+ years: 2055+)** – Aligns with potential materialisation of physical risks, particularly infrastructure impacts and New Zealand's 2050 net zero ambition.

These time horizons also align to the telecommunications sector scenario analysis. Under our corporate strategy, Chorus' strategic horizons include FY26-FY30 (Growth, Simplicity & Efficiency) and FY30–FY35 (All Fibre Business), which are a focus when looking at climate related opportunities.

Value chain exclusions

NZ CS 1, 19(c)

Chorus does not specifically exclude any parts of the value chain from our climate risk processes.

Appendix 1 – Information limitations

As noted above, this report contains climate statements that are based on data, methodologies, assessments and judgements which are by their nature subject to significant uncertainty, limitations and assumptions and which may change. While Chorus has sought to provide accurate information in respect of the reporting period ended 30 June 2026 and is committed to progressing our response to climate-related risks and opportunities over time, information in this report may be less certain than other aspects of our annual reporting.

Climate-related data and other inputs used (including from third parties and our supply chain) by their nature may be inconsistent, unreliable or unavailable, and in certain cases, we have had to rely on certain assumptions, estimates or proxies. Descriptions of the qualitative and quantitative current and anticipated impacts and financial impacts of climate change draw on and/or represent estimated figures only. Similarly, climate modelling and scenarios are emerging methodologies that rely on assumptions and judgements and may not reliably predict future events.

Forward-looking statements

This report also contains forward-looking statements and opinions, including in relation to climate scenarios, impacts, targets and goals, forecasts and projections, as well as Chorus' business plans and operations, future operating environment, and market conditions. These may not eventuate as predicted. The risks and opportunities described may not eventuate or may be more or less significant than anticipated. There are many factors that could cause Chorus' actual results, performance, or achievement of climate metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of Chorus' control.

Such statements and opinions are necessarily subject to significant risk, uncertainty, and assumptions. We have based our statements and opinions on reasonable information known to us at the time of publication, but these may change including for reasons beyond Chorus' control. We reserve the right to update such statements in future, as the quality and completeness of inputs and information improves, and our organisational strategy evolves.

General

This note should be read with the specific limitations, dependencies, uncertainties set out above, in particular the discussion of climate scenarios, targets, anticipated impacts and transition planning.

Chorus gives no representation, guarantee, warranty or assurance that actual outcomes or performance will occur in line with forward-looking statements and accepts no liability for any loss arising from use of any information contained in this report. To the maximum extent permitted by law, Chorus shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of these Climate-Related Disclosures.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial, tax or other advice or guidance. For detailed information on our financial performance, please refer to our Annual Report.

Appendix 2 – Compliance table

The table below contains a summary of where key disclosures can be found in this report.

NZCS REQUIREMENT	LOCATION
Governance	
Identity of governance body responsible for oversight of climate-related risks and opportunities – para 7(a)	Page 24
Governance body oversight – para 8(a), (b), (c) and (d)	Page 26
Management's role – para 9(a), (b) and (c)	Pages 25, 27
Strategy	
Current physical and transition impacts – para 12(a)	Page 13-15
Current financial impacts – para 12(b) and (c)	Page 13
Scenario analysis undertaken – para 13	Pages 10-12
Climate-related risks and opportunities – para 14(a), (b) and (c)	Pages 13-16
Anticipated impacts – para 15(a)	Page 13 (Table 1)
Anticipated financial impacts – para 15(b), (c) and (d)	Adoption relief taken for FY26 per NZ CS 2
Transition planning: current business model and strategy – para 16(a)	Pages 5-6
Transition planning: transition plan aspects of strategy – para 16(b)	Pages 7-8
Transition planning: alignment with capital deployment – para 16(c)	10
Risk Management	
Processes for identifying, assessing, and managing climate-related risks – para 18(a), and para 19 (a), (b), (c), (d) and (e)	Pages 28-30
Integration into overall risk management processes – para 18(b)	Pages 28-29
Metrics and Targets	
GHG emissions, emissions intensity and additional information – para 22(a) and (b), and para 24 (a), (b) and (c)	Page 18-21
Transition risks – para 22(c)	Page 21
Physical risks – para 22(d)	Page 22
Climate opportunities – para 22(e)	Page 22
Capital deployment – para 22(f)	Page 23
Internal emissions price – para 22(g)	Page 23
Remuneration – para 22(h)	Page 23
Targets – para 23(a) to (e)	Page 17
Comparatives and trends for metrics – para 40 to 42 of NZ CS 3	Pages 19-23
Assurance of GHG emissions	
GHG emissions subject to assurance engagement – para 25 to 26	Appendix 5

Appendix 3 – Glossary of terms

Key terms are as defined in NZ CS 1, unless otherwise indicated with an asterisk (*) below:

Absolute target	A target defined by a change in absolute GHG emissions over time. For example, reducing scope 1 GHG emissions by 50% by 2030 from a 2019 base year.
Base year	A historic datum (a specific year or an average over multiple years) against which a company's emissions are tracked over time.
Board*	Chorus Limited's Board of Directors.
Cabinets*	A cabinet is an enclosed structure containing telecommunications equipment, used for copper and/or fibre services. Chorus cabinets are often small roadside non-building structures but can vary.
CO_2e	Carbon dioxide equivalent.The universal unit of measurement to indicate the global warming potential of each of the seven GHGs, expressed in terms of the global warming potential of one unit of carbon dioxide for 100 years. It is used to evaluate releasing (or avoiding releasing) any GHGs against a common basis.
Electricity – location based reporting	The location-based method uses an emission factor calculated from all electricity delivered to the grid in a year or quarter (in New Zealand this is published by MfE).
Electricity – market based reporting	Scope 2 market based emissions reflect the generation fuel mix from which the reporting company contractually purchases electricity and/or is directly provided electricity via a direct line transfer.
Emissions*	Emission sources are categorised by scope to manage risks and impacts of double counting. There are three scopes in greenhouse gas reporting.
Exchange*	A local fibre company (LFC) owned or leased building, or leased or licensed area within a building, with a floor area of at least 15 square metres (or, since UFB2 (the second phase of the New Zealand Government's fibre broadband rollout programme), can include a cabinet) and a main distribution frame terminating copper or fibre network connected to end-user premises.
Fluvial*	River flooding.
FY*	Financial Year–1st of July to 30th of June periods.
GHG	Greenhouse gas. The following greenhouse gases are listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF_3), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).
GHG Inventory*	A quantification of an organisation's greenhouse gas sources, sinks, emissions, and removals.
ICP or IEP*	Internal Carbon Price or Internal Emissions Price. A monetary value on GHG emissions that an entity uses internally to guide its decision-making process in relation to climate-related impacts, risks, and opportunities.
ONT*	Optical Network Terminal, or the termination point of fibre in the home or business.
Petabyte*	One million gigabytes (GB), which is a measure of data volume.
Pluvial*	Surface water flood.
Physical risks	Risks related to the physical impacts of climate change. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events. They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns, such as sea level rise.
SBTi*	Science Based Targets initiative: https://sciencebasedtargets.org/.
Scenario analysis	A process for systematically exploring the effects of a range of plausible future events under conditions of uncertainty. Engaging in this process helps an entity to identify its climate-related risks and opportunities and develop a better understanding of the resilience of its business model and strategy.
Scope 1	Direct emissions from sources that are owned or controlled by a company.
Scope 2	A reporting organisation's emissions associated with the generation of electricity, heating/cooling, or steam purchased for its own consumption.
Scope 3	A reporting organisation's indirect emissions (value chain) other than those covered in scope 2.
tCO_2e	Tonnes (t) of carbon dioxide (CO_2) equivalent (e).
T&D losses	Transmission and Distribution losses, which refer to the difference between the electricity generated and the electricity actually delivered.
Transition plan	An aspect of an entity's overall strategy that describes an entity's targets, including any interim targets, and actions for its transition towards a low-emissions, climate-resilient future.
Transition risks	Risks related to the transition to a low-emissions, climate-resilient global and domestic economy, such as policy, legal, technology, market and reputation changes associated with the mitigation and adaptation requirements relating to climate change.
Verification*	An independent assessment of the reliability (considering completeness and accuracy) of a GHG inventory.
WTT	Well-to-Tank (WTT) refers to a method used to calculate the energy consumed and GHG emitted from the moment of production of a transport fuel.

Appendix 4 – GHG emissions methodology

The table below provides an overview of all our emission sources in Chorus' inventory, including data sources, calculation methods, any assumptions and estimations made in the calculation process and an assessment of uncertainty. GHG emissions accounting relies on assumptions and estimates that lead to uncertainty. The effect of this uncertainty is that emissions might be over or understated, so the corresponding categories' emissions data should be interpreted accordingly.

Chorus uses a qualitative assessment of uncertainty as a measure of data quality, with a focus on parameter uncertainty. Uncertainty is highest where data limitations require us to adopt the spend-based method or necessitate high estimations, or the emission factor itself has a high level of built-in assumptions.

Scope / Category	Emission source	Calculation method	Methodology, data source and assumptions / estimations	Uncertainties	Emission factor and GWP source All aligned with IPCC AR5
Stationary combustion	Diesel generator fuel	Fuel-based method	Invoices and excel reports records of fuel purchased. No estimation, direct from invoices.	Low uncertainty	MfE (2026) - Diesel - stationary combustion - commercial (L)
Stationary combustion	Natural gas (LPG use in exchanges)	Fuel-based method	Invoices with monthly meter readings. No estimation, direct from invoices.	Low uncertainty	MfE (2026) - Natural Gas (kWh)
Fugitive emissions	Fugitive emissions from air-conditioning systems	Supplier-specific method	Records from service providers maintenance reports (based on top-ups) and supporting invoices.	Medium uncertainty	MfE (2026) - Hydroflurocarbons, Refrigerant blends: Zeotropes, Defra (2025) – Refrigerant & other. Blends
Mobile Combustion	Chorus vehicle fleet fuel	Fuel-based method	Invoices and excel reports records of litres of fuel purchased. Assume no top ups are done without using fuel cards.	Low uncertainty	MfE (2026) – Transport fuels
Electricity	Location based	Hybrid-based method (supplier and estimated)	Suppliers excel report, small suppliers' invoices with meter reading. Accurate records of electricity purchased. Within multiple exchanges, we rent space from Spark sites and due to limited sub-metering, Spark, and Chorus invoice each other electricity usage based on a usage (kWh) per equipment type from an historical audit.	Low uncertainty	MfE (2026) – Purchased electricity annual average 2025
	Market based			Moderate uncertainty from emission factor	NZECS – Market based, interim residual supply mix (RSM), June 2026.
	EV charging	Supplier specific method	Records from Thundergrid and our office charging monthly reports from fleet management company.	Low uncertainty	MfE (2026) – Purchased electricity annual average 2025
Category 1 – Purchased goods and services Category 2 – Capital goods	Financial annual spend records of all suppliers	Spend-based method	Where no supplier specific information was available or the data was too uncertain, we used a spend based method from internal finance annual spend records by service type x emission factor sourced from GHG emissions for Commodities and Industries emissions modelling.	High uncertainty from emission factors	Thinkstep-anz (2025) - Emission Factors for New Zealand: Greenhouse Gas Emission Intensities for Commodities and Industries. v3.0.
	Suppliers fuel data (service delivery partners)	Hybrid-based method (fuel based and estimated)	All major suppliers (spend >$7M a year) contacted for information on the portion of their footprint attributable to activities performed on behalf of Chorus. Fuel use is most of the emissions, especially for our Field Service Agreement (Downer, UCG and Ventia), who provide monthly fuel information, which includes their own sub-contractors fuel use which is estimated.	Moderate uncertainty	MfE (2026) – Transport fuels Thinkstep-anz. (2025). Emission Factors for New Zealand: Greenhouse Gas Emission Intensities for Commodities and Industries. v3.0, using commodities where possible.

Appendix 4 – GHG emissions methodology (continued)

Scope / Category	Emission source	Calculation method	Methodology, data source and assumptions / estimations	Uncertainties	Emission factor and GWP source All aligned with IPCC AR5
Category 3 – Fuel and energy use	Transmission and distribution (T&D) line losses from electricity	Average data method	All data based on fuel data and location-based electricity consumption data provided for scope 1 and 2. Chorus voluntarily reports on T&D losses from our scope 3 electricity use (ONT and customers).	Moderate uncertainty from emission factors	MfE (2026) – Transmission and distribution losses for electricity (2025)
	Well-to-tank (WTT) emissions from upstream fuel use	Average-data method	Fuel records for Chorus own fleet. Estimates of the amount of fuel used and our scope 3 (contractor fuel details).	Moderate uncertainty from emission factors	Defra (2025) – WTT - fuels
Category 4 – Upstream Transportation and distribution	Air and Sea freight from overseas to New Zealand and road and rail within New Zealand	Distance-based method	Includes all transport and distribution paid by Chorus regardless of whether the transport occurs upstream or downstream according to the Telecommunication guidance.[41] Supplier report (Nokia) provides the distance and weight for packages. Distance is determined using international freight distance databases and weight is based on supplier records per product type. Mainfreight provides a supplier specific emission factor that is externally verified. The information is based on accurate tracking by mode of transport and weight and distance per mode type.	Moderate uncertainty	MfE (2026) – Air Freight. W/ radiative forcing multiplier, International Sea Freight. Container ship: Average
Category 5 – Waste generated in operations	Waste to landfill produced at Chorus's offices	Average-data method	Third-party building managers provide a report for each Chorus office. Information is broken down by type and weight of waste generated.	Moderate uncertainty	MfE (2026) - Waste (unknown composition) – Office waste to landfill without gas recovery / Waste (unknown composition) – Office waste Biological treatment of waste – composting
Category 6 – Business travel	Air travel and Accommodation	Supplier-specific method	Supplier records (Tandem Travel) with type of travel class and distance travelled per passenger. Tandem is audited annually on their methodology and reporting. Outputs are calculated using the distances travelled by sector split into domestic, short haul and long haul split by class of travel (business, first class, economy).	Moderate uncertainty	MfE (2026) - Accommodation (relevant countries in MfE factors) / Air travel (short haul, domestic and international) with radiative forcing
	Taxis	Spend-based method	Records from general ledger.	Moderate uncertainty from emission factors	MfE (2026) - Taxi Travel Regular – dollars spent
	Rental car	Distance-based method	Supplier records itineraries and rental car companies' information (kms travelled). Some assumptions made around the type of vehicle driven.	Moderate uncertainty	MfE (2026) - Light Passenger Vehicle. Rental car default– dollars spent
	Mileage claims	Distance-based method	Records from general ledger. (kms travelled). Data is extracted from our internal expense claim system and assumes kms travelled to be accurate and a reflection of work-related travels	Moderate uncertainty	MfE (2026) - Light Passenger Vehicle. Private car default (Diesel, Petrol Hybrid, Electric) (Km)

41 GSM Association (GSMA), the Global Enabling Sustainability Initiative (GeSI) and the International Telecommunication Union (ITU-T) – Scope 3 Guidance for Telecommunication Operators

Appendix 4 – GHG emissions methodology (continued)

Scope / Category	Emission source	Calculation method	Methodology, data source and assumptions / estimations	Uncertainties	Emission factor and GWP source All aligned with IPCC AR5
Category 7 – Employee commuting	Travel to and from work (in private vehicles and public transport)	Distance-based method	Data gathered on travel modes, distance to work via staff survey and office occupancy via tracking. Extrapolated for the full year assuming that travel habits are stable across the year.	High uncertainty	MfE (2026) - Light Passenger Vehicle. Private car (petrol, hybrid, electric), Bus, Train, Ferry, Taxis (Kms)
	Working from home	Hybrid-based method	Chorus internal office occupancy tracks occupancy per location, this was used to estimate working from home days.	Moderate uncertainty from emission factors	MfE (2026) - Working From Home. Working from home – Default (days)
Category 11 – Use of sold products	Electricity use within customer devices	Direct use-phase method	Chorus internal tracking of number of ONT (Optical Network Terminal) deployed. This is based on the manufacturing estimated electricity use of the ONT (Optical Network Terminal) installed in premises or powered by end users. It excludes energy use from Wi-Fi gateways provided by Retail Service Providers or customers.	Moderate uncertainty	MfE (2026) – Purchased electricity annual average 2025
Category 13 – Downstream leased assets	Electricity use on-charged to customers	Hybrid-based method (supplier-based and estimated)	Within multiple exchanges, we rent some of our space to Spark and must estimate the electricity (using some assumptions).	Moderate uncertainty	MfE (2026) – Purchased electricity annual average 2025

Appendix 5: KPMG Independent Limited Assurance Report

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that, in all material respects, the scope 1, 2 and 3 gross greenhouse gas emissions, additional required disclosures of gross greenhouse gas emissions and gross greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement (GHG disclosures) are not fairly presented and prepared in accordance with the Aotearoa New Zealand Climate Standards (NZ CSs) issued by the External Reporting Board (the Criteria) for the period 1 July 2025 to 30 June 2026.

Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Chorus Limited's GHG disclosures for the period 1 July 2025 to 30 June 2026. The locations of the GHG disclosures subject to assurance are:

- Total Scope 1, 2 and 3 (both location and market-based approach) GHG emissions contained in the climate statement within table 3 and table 4 (page 18)
- The additional required disclosures within the consolidation approach and standards (pages 19 to 20) and exclusions within table 5 (page 20)
- The greenhouse gas emissions methods, assumptions and estimation uncertainty disclosures included in the Climate Statement within Appendix 4 (pages 33 to 35) of the report.

Our conclusion on the GHG disclosures does not extend to any other information included, or referred to, in the Climate Statement or other information that accompanies or contains the Climate Statement and our assurance report (other information). We have not performed any procedures with respect to the other information.

Criteria

The criteria used as the basis of reporting include the NZ CSs. As disclosed on page 19 of the Climate Statement, the greenhouse gas emissions have been measured in accordance with:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition)
- The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard
- The Greenhouse Gas Protocol: Corporate Value Chain (scope 3) Accounting and Reporting Standard.

As a result, this report may not be suitable for another purpose.

Standards we followed

We conducted our limited assurance engagement in accordance with New Zealand Standard on Assurance Engagements 1 (**NZ SAE 1**) Assurance Engagements over Greenhouse Gas Emissions Disclosures and International Standard on Assurance Engagements (New Zealand) 3410 Assurance Engagements on Greenhouse Gas Statements (**ISAE (NZ) 3410**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.
Our responsibilities under the Standard are further described in the 'Our responsibility' section of our report.

Other Matter – Assurance of the prior year comparative information

We previously expressed an opinion over the GHG disclosures for the period 1 July 2024 to 30 June 2025, and our report dated 22 August 2025 included an unmodified opinion. Our conclusion is not modified in respect of this matter.

How to interpret limited assurance and material misstatement

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Misstatements, including omissions, within the GHG disclosures are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the GHG disclosures.

Inherent limitations

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Use of this assurance report

Our report is made solely for Chorus Limited. Our assurance work has been undertaken so that we might state to Chorus Limited those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than Chorus Limited for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Chorus Limited for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached. Our conclusion is not modified in respect of this matter.

Chorus Limited's responsibility for the GHG disclosures

The Directors of Chorus Limited are responsible for the preparation and fair presentation of the GHG disclosures in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of such internal control as Directors determine is relevant to enable the preparation of the GHG disclosures that are free from material misstatement whether due to fraud or error.

The Directors of Chorus Limited are also responsible for selecting or developing suitable criteria for preparing the GHG disclosures and appropriately referring to or describing the criteria used.

Appendix 5: KPMG Independent Limited Assurance Report continued

Our responsibility

We have responsibility for:

- planning and performing the engagement to obtain limited assurance about whether the GHG disclosures are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Chorus Limited.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement performed in accordance with the Standard involves assessing the suitability in the circumstances of Chorus Limited's use of the Criteria as the basis for the preparation of the GHG disclosures, assessing the risks of material misstatement of the GHG disclosures whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG disclosures.

We exercised professional judgment and maintained professional scepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on the understanding of the GHG disclosures that is sufficient and appropriate to provide a basis for our conclusion. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

In undertaking limited assurance on the GHG disclosures the procedures we primarily performed were:

- ·obtained, through inquiries, an understanding of Chorus Limited's control environment, processes and information systems relevant to the preparation of the GHG disclosures. We did not evaluate the design of particular control activities, or obtain evidence about their implementation;
- ·evaluated organisational and operational boundaries to test completeness of GHG emission sources;
- ·evaluated whether Chorus Limited's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Chorus Limited's estimates;
- ·evaluated the appropriateness of emission factors applied;
- ·performed analytical procedures on particular emission categories by comparing the expected GHGs emitted to actual GHGs emitted and made inquiries of management to obtain explanations for any significant differences we identified;
- performed recalculations of selected GHG emissions;
- tested a limited number of items to supporting records, and
- considered the presentation and disclosure of the GHG disclosures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

This assurance engagement was undertaken in accordance with NZ SAE 1. NZ SAE 1 is founded on the fundamental principles of independence, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have also complied with Professional and Ethical Standard 4 *Engagement Quality Reviews* (**PES 4**) which deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review.

Our firm has also provided financial statement audit, regulatory assurance, and trustee supervisor reporting services to Chorus Limited. Subject to certain restrictions, partners and employees of our firm may also deal with Chorus Limited on normal terms within the ordinary course of trading activities of the business of Chorus Limited. These matters have not impaired our independence as assurance providers of Chorus Limited for this engagement. The firm has no other relationship with, or interest in, Chorus Limited.

As we are engaged to form an independent conclusion on the GHG disclosures prepared by Chorus Limited, we are not permitted to be involved in the preparation of the GHG information as doing so may compromise our independence.

The engagement partner on the assurance engagement resulting in this independent assurance report is David Gates.

KPMG Wellington
24 August 2026

Directory

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CHORUS

ARBN 152 485 848

NZX NEW ZEALAND'S EXCHANGE TE PAEHOKO O AOTEAROA

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Updated as at March 2025

Results for announcement to the market		
Name of issuer	Chorus Limited	
Reporting Period	12 months to 30 June 2026	
Previous Reporting Period	12 months to 30 June 2025	
Currency	New Zealand Dollars	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$1,029,000	+1.5%
Total Revenue	$1,029,000	+1.5%
Net profit/(loss) from continuing operations	$37,000	+825%
Total net profit/(loss)	$37,000	+825%
Interim/Final Dividend		
Amount per Quoted Equity Security	$0.36000000	
Imputed amount per Quoted Equity Security	$0.00000000	
Record Date	15 September 2026	
Dividend Payment Date	6 October 2026	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security (in dollars and cents per security)	$1.30	$0.27
A brief explanation of any of the figures above necessary to enable the figures to be understood	This announcement should be read in conjunction with the attached annual report, audited financial statements for the year ended 30 June 2026 contained in that report, media release and investor presentation.	
Authority for this announcement		
Name of person authorised to make this announcement	Drew Davies Chief Operating Officer	
Contact person for this announcement	Aleida White Head of Investor Relations	
Contact phone number	+64 22 490 2591	
Contact email address	aleida.white@chorus.co.nz	
Date of release through MAP	24/08/2026	

Audited financial statements accompany this announcement.

NZX
NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Distribution Notice

Updated as at May 2026

Please note:

1) **All cash amounts in this form should be provided to 8 decimal places, including zeros (ie 0.01001000)**
2) **All dates included are New Zealand business days**

Section 1: Issuer information				
Name of issuer	Chorus Limited			
Financial product name/description	Ordinary shares			
NZX ticker code	CNU			
ISIN (If unknown, check on NZX website)	NZCNUE0001S2			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year	X	~~Quarterly~~	
	~~Half Year~~		~~Special~~	
	~~DRP applies~~			
Record date	15/09/2026			
Ex-Date (one business day before the Record Date)	14/09/2026			
Payment date (and allotment date for DRP)	06/10/2026			
Total monies associated with the distribution[1]	$156,199,426			
Source of distribution (for example, retained earnings)	Retained earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution[2]	$0.36000000			
Gross taxable amount [3]	$0.36000000			
Total cash distribution[4]	$0.36000000			
Excluded amount (applicable to listed PIEs)	$0.00000000			
Supplementary distribution amount	$0.00000000			
Section 3: Imputation credits and Resident Withholding Tax[5]				
Is the distribution imputed	~~Fully imputed~~			

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Gross taxable amount" is the gross distribution minus any excluded income.

[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

	~~Partial imputation~~
	No imputation
If fully or partially imputed, please state imputation rate as % applied[6]	N/A
Imputation tax credits per financial product	N/A
Resident Withholding Tax per financial product	$0.11880000
Section 4: Distribution re-investment plan (if applicable)	
DRP % discount (if any)	N/A
Start date and end date for determining market price for DRP	N/A	N/A
Date strike price to be announced (if not available at this time)	N/A
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	N/A
DRP strike price per financial product	N/A
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	N/A
Section 5: Authority for this announcement	
Name of person authorised to make this announcement	Drew Davies Chief Operating Officer
Contact person for this announcement	Aleida White Head of Investor Relations
Contact phone number	+ 64 21 155 8837
Contact email address	aleida.white@chorus.co.nz
Date of release through MAP	24/08/2026

[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.