

STOCK EXCHANGE ANNOUNCEMENT

8 November 2023

Chorus' annual shareholders' meeting

The attached prepared announcements will be delivered at Chorus' annual shareholders' meeting to be held in Wellington at 2:00pm today:

- Chairman's address;
- CEO's address; and
- Presentation slides.

The annual meeting can also be accessed via Computershare's online meeting platform at:

<https://meetnow.global/nz>

Copies of these announcements will be available on Chorus' website later today.

ENDS

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Chorus Annual Meeting 8 November 2023

Chair's Address

Tēnā koutou katoa.

Good morning and welcome to Chorus' 2023 Annual Shareholders' Meeting. I'm Mark Cross, Chorus' Chair.

We welcome those of you joining us here in the Chorus offices in Wellington today, as well as those of you joining us online through the Computershare platform.

Agenda

- Introduction and Chair's address
- CEO address
- Resolutions
- Shareholder questions



We have a relatively short agenda today in terms of the formal business of the meeting.

I'll start with a short summary of the year, and what the Board is focused on then briefly cover our regulatory process.

Chief Executive JB Rousselot will then cover what's happening at an operational and market level.

After that we'll move to resolutions, questions and voting.

JB is joined today by key personnel including Mark Aue, our Chief Financial Officer and Elaine Campbell, our Chief Corporate Officer and General Counsel. We also have representatives from our auditors KPMG, and Chapman Tripp, our legal provider.

Your Board



Mark Cross
Chair



Sue Bailey



Miriam Dean



Will Irving



Murray Jordan



Kate Jorgensen



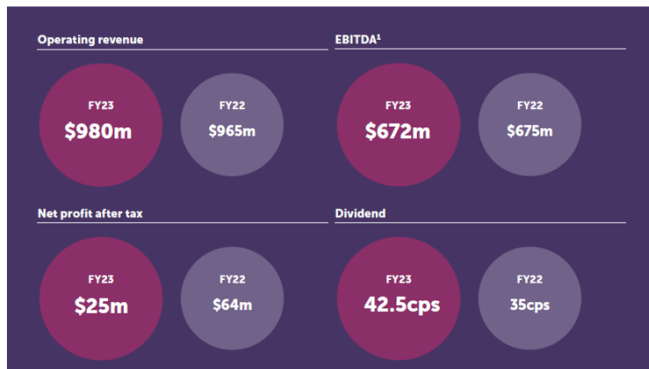
Jack Matthews

Let me introduce you to your directors:

- Sue Bailey
- Will Irving – Will has just had eye surgery so is joining us online but will not be appearing on screen
- Murray Jordan
- Kate Jorgensen,
- Jack Matthews.
- Miriam Dean is unfortunately a late apology due to a close bereavement.

Kate and Jack are standing for re-election today in accordance with the NZX listing rules so you'll hear from them shortly.

FY23 overview



	FY23	FY22
Fibre connections	1,031,000	959,000
Broadband connections	1,188,000	1,189,000
Fixed line connections	1,271,000	1,304,000
Data traffic (petabytes)	7,402	7,140
Employee engagement	8.7/10	8.5/10

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.

As you'll have seen from our results announcement in August, Chorus delivered a strong financial result in a year of operating challenges and change.

We had hoped things were back to normal following COVID lockdowns, but FY23 brought us extreme weather events and technician shortages, as well as the broader weakness in the economy and inflationary pressures.

Despite these challenges, we were able to grow fibre connections and revenues, delivering increased revenue of \$980 million. And we held underlying operating expenses flat year-on-year at \$299 million.

As a result, at \$682 million underlying EBITDA was up \$22 million on the year before. However, net profit after tax reduced from \$64 million to \$25 million because of higher interest rates and depreciation.

These financial results and the end of the fibre rollout investment programme enabled us to increase our dividend payout to 42.5 cents per share in the year, up from 35 cents in FY22 and 25 cents in FY21. We've provided guidance of 47.5 cents for the current year.

Including the FY24 guidance, our dividend will have increased by 90% since FY21. This reflects a return to positive free cashflow after more than a decade of investing shareholders' funds back into the fibre rollout.

We also recently completed our \$150 million share buyback programme. The buyback programme began in early 2022 as a means of returning capital to shareholders and the number of issued shares was reduced by about 17 million.

Our borrowings were just under 4.4 times net debt to EBITDA at the end of FY23 and remain within our internal limit of 4.75 times which provides a buffer against the upper limit for our current investment grade credit rating.

Your Board's focus

- Empowering our people
- Fibre is future-proofed
- Connections, connections, connections
- Managed exit from copper
- Be an active wholesaler
- Promote digital equity
- Prioritise long term value
- A considered approach to new opportunities
- An appropriate capital structure



Dear investors

On behalf of your Board, I'm pleased to report that Chorus has delivered another strong financial result in a year of operating challenges and change.

Over a period of economic volatility, inflationary pressures and uncertainty, Chorus continued to prove its resilience as an essential utility provider. As the copper pandemic and extreme weather events have shown, fibre homes and businesses are more resilient than ever as we find and enable broadband connections to live, learn, work and play.

We've announced a final dividend for the year of 25.5 cents per share, bringing total dividends for FY23 to 42.5 per share. The dividend announcement also remains ahead.

This is my first annual report as Chair after six years on the Board as a director. It's a pleasure to see our digital transition from a successful area of building one of the world's most advanced fibre broadband networks to now operating as a digital infrastructure company that can power New Zealand's digital future.

Strategy and Core Beliefs

I think it's important for shareholders to understand what our beliefs as a board are for your company. These beliefs underpin Chorus' three strategic pillars: to win in core fibre, to optimise the core fibre asset base and to grow new revenue.

• **Empowering our people.** One of the best investments we can make is in having the right people, empowered and appropriately incentivised. Our aspiration is for Chorus to be a diverse and inclusive workplace of choice.

• **Fibre is future-proofed.** We believe fibre is the most effective technology choice for the vast majority of New Zealanders because it provides a dedicated connection that delivers fast and consistent reliable connectivity. While alternative technologies have a place in the market, fibre has a clear and viable scalable upgrade path to meet the expected growth in consumer needs for the future.

• **Connections, connections, connections.** Chorus' long-term value is intrinsically linked to fibre connections. Now that we've built a world-class network, in partnership with government, the greatest benefit to the country is to harness its potential. We're engaged in the copper network in our other fibre areas and this will drive fibre uptake even higher. Customers value fibre above other technologies as a high-quality, dependable service and we're adding to meet or exceeding their addressable and demand for traffic capacity where the solution cost is justified by the long-term value of the connection.

• **Managed exit from copper.** Our copper network is nearing the end of its technological life and alternative technologies will be needed beyond the reach of fibre. Our focus is on managing our copper costs down while transitioning fibre to the maximum extent and ensuring regulatory supports continues to get the best possible outcome.

• **Be an active wholesaler.** As an open access wholesaler we treat all our retail customers equally. We've signed contracts with our retail customers ready for our digital transition and also our retailers, competitors and fibre direct consumer relationships where we don't. This means we need to be an active wholesaler, governing our network services and ensuring that the regulatory regime supports a level playing field between retailers and keeps competition fully informed.

• **Promote digital equity.** We're the provider of an essential utility service that enables New Zealanders to access an increasingly digital world. This means Chorus can and should play its part in promoting digital equity. Because we're a wholesale only provider, this requires a collaborative effort with government agencies and retail service providers.

• **Investing long-term value.** Capital allocation is one of our most important responsibilities. We're making investment decisions for long-term value, not short-term profit. We'll prioritise the efficient allocation of capital that grows shareholder value and supports a growing sustainable dividend through time. Our assessment of the necessary level of return, the impact on competitive conditions, and the preservation of our dividend policy and asset base, will guide our approach to discretionary investment.

• **A considered approach to new opportunities.** We believe generating non-regulated income streams is important, but they must pay their way. We would need to have or build the capability to run these businesses well. We'll invest carefully and generally steer away from businesses that our shareholders can invest in directly, unless there is a compelling opportunity to, and partner with, our core business.

• **An appropriate capital structure.** We're committed to maintaining a capital structure reflective of a utility business. At the heart of this is the expectation of an investment grade credit rating (BBB or equivalent) and financial covenants that support this. We'll target raising our assets for the first tranche of Green Funding that will start in early 2024.

CHORUS

In my letter at the front of this year's annual report I set out a number of beliefs that we as a board have and it's worth restating those here.

- Empowering our people – we need the right people, empowered and incentivised
- Fibre is future-proofed – the best direct connectivity scalable for future growth, while acknowledging there is a place for alternative technologies working back from the outer edges of the network
- Connections, connections, connections – connecting as many New Zealanders as we can at a competitive price to maximise revenue within our regulated cap
- Managed exit from copper – managing our costs down and retaining as many customers on fibre as we can
- Be an active wholesaler – treating our retail customers equally but responding to the competition imposed by those customers selling competing products
- Promote digital equity – working together with our partners to maximise equal access to the best digital connectivity across urban and rural areas and across socio economic groups
- Prioritise long term value – more on this in a moment
- A considered approach to new opportunities – investing in new sources of revenue in a disciplined way

- An appropriate capital structure – holding to a solid investment grade leverage appropriate for a regulated utility.

I do want to highlight the point about prioritising long term value. As a board we regard capital allocation as one of our most important responsibilities, and in that regard we strive to walk the line between investors seeking a return on their investment in the near term by way of dividends and ongoing investment in our regulated asset base. This is top of mind as we work our way through the Price-Quality Expenditure process which I'll turn to now.

REGULATORY PROPOSAL

How we developed our PQP2 proposal

Extensive end-user and stakeholder inputs overlaid by Independent Verification



It is hard to believe, but we are only 14 months away from the start of the second regulatory period for fibre.

This next regulatory period will be four years, rather than the current three, and will run from 1 January 2025 through to 31 December 2028.

Last week we submitted our initial expenditure proposal to the Commerce Commission for this next period.

The regulatory model for fibre is based on Chorus earning an allowed rate of return on its regulated asset base.

The Commission reviews our proposed capital and operating expenditure ahead of the period.

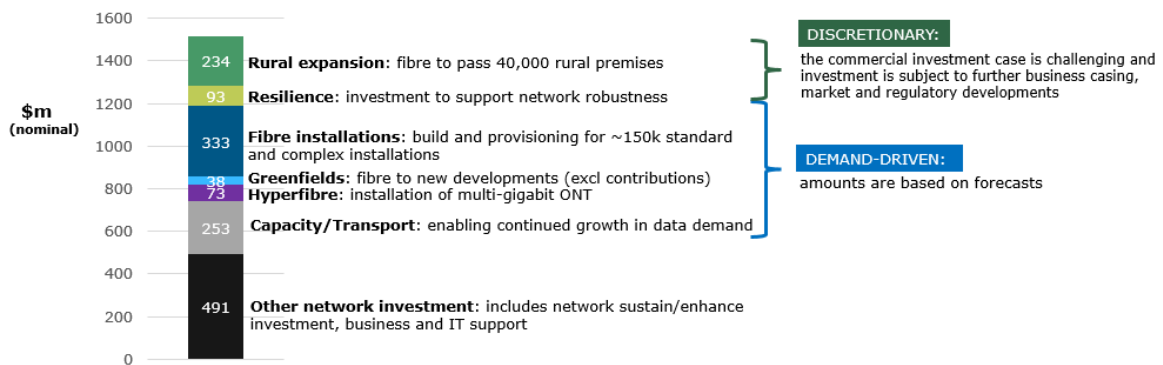
The slide summarises the extensive process we've gone through in preparing the 1,300 pages of information for this review process – including consumer consultation and review by an independent verifier.

Our submission is just the start of a long 12 month process with the Commission that we expect to be finalised late next year.

INVESTMENT PROPOSAL

Key elements of proposed \$1.5bn investment

Majority of investment is discretionary or linked to demand



We’ve proposed about \$1.5 billion of capital expenditure for the four-year period, with approximately two thirds being discretionary or linked to demand and the remainder proposed for sustaining / enhancing network and IT capex.

Working up the stack from the bottom, approximately \$500 million of capex relates to ongoing investment to sustain and enhance the network, along with business and IT support costs.

Next is approximately \$700 million of investment based on our demand forecasts for new fibre installations, property developments, data growth and the technology needed to deliver our multi-gigabit Hyperfibre services.

Finally about \$300 million is for discretionary growth investment, principally for rural network expansion and increased network resilience. This investment, while beneficial for consumers and supported by stakeholders, is commercially challenging given we operate in a dynamic industry environment. For that reason it’s important to note that it remains subject to further business casing, appropriate regulatory settings and market demand.

In addition, we’ve proposed operating expenditure of \$840 million for the four-year period, with spend per connection largely flat. That’s despite overall fibre costs growing to reflect the rapidly diminishing contribution copper services make to our business.

REGULATORY CERTAINTY

Long-term investment requires certainty

To ensure good outcomes for end customers and fair returns for investors, we need...

1. To know regulatory settings won't be interpreted or changed in a way that undermines a fair return.
2. Confidence the government's wholesale fibre network model isn't being undermined by large vertically integrated retailers who unfairly favour their own wireless networks.
3. A regulatory process that has the flexibility to allow for the dynamic nature of the telecommunications industry. (e.g. changing market conditions that diminish the business case, or government policy/funding that helps accelerate or reshape investment)



Our network investment is in long-dated assets and that means regulatory certainty is essential if our shareholders are to earn a fair risk-adjusted return.

When considering making discretionary investment that will deliver good outcomes for end customers there are three regulatory settings that are critical to ensuring a fair outcome:

Firstly, we need to know that regulatory settings won't be interpreted or changed in a way that undermines a fair return. We think that regulatory consistency ensures the best outcome for consumers in the long run by reducing the risk-adjusted rate of return required by investors, which in turn drives lower allowed revenue and prices.

Secondly, we need to be confident that the Commission is ensuring the government's wholesale fibre network model – under which we are regulated as a monopoly - isn't being undermined by our large vertically integrated customers unfairly favouring their own wireless networks.

Lastly, we also believe the regulatory process needs to remain flexible. Telecommunications is a dynamic industry and we've been required to submit a proposal more than a year ahead of its implementation. We already know, for example, that copper withdrawal is occurring faster than expected. We need to consider up-to-date market conditions when confirming the business case for discretionary and demand-based investment. This includes considering how changes in government funding or policy – particularly for rural areas - could help accelerate or reshape our investment plans.

Broadband isn't standing still....

Google Fiber has just announced the launch of 20Gbps plans

“ We already have
tens of thousands of multi-
gig customers – with
demand curves exceeding
our expectations ”



20 Gig + Wi-Fi 7
Brought to you by  G Fiber Labs

The end of the UFB rollout and the looming end of copper's economic life means Chorus is becoming a simpler business. We're excited about Chorus' future as an all-fibre digital infrastructure company and the role we can play in enabling New Zealand's digital future.

Fibre is unmatched as a broadband technology – a fact we champion with conviction if you haven't already noticed. In the words of our advertisements, no one in New Zealand should experience 'Bad Net'. This sentiment is echoed globally; most developed countries are rolling out fibre at pace.

JB and I recently met with several European network operators. Typically, coming from NZ, we might feel we're lagging behind the rest of the world, but these companies look to Chorus and New Zealand as a possible glimpse of their own futures and are eager to learn from us. The visits reinforced our belief in what we have achieved as a country and as a company. Chorus is now one of the very few public-listed wholesale fibre companies in the world, with a settled industry structure, a completed build to 87% and take-up of 70% and growing.

But, while our global position in connectivity is solid, the pace of change is relentless, and other countries are rolling out fibre at pace and aspiring to 99 or 100% coverage in some cases.

There are also numerous examples of providers leaping ahead with multi-gigabit speeds now the default technology of choice for new networks. Take Google Fiber, for example; they've introduced 20-gigabit speeds to residential users on their US network. It has coupled this with cutting-edge Wi-Fi 7 technology in the home to take advantage of the performance.

These developments reinforce the view that New Zealand can't afford to sit back and relax. In the worlds of technology and connectivity, standing still is going backwards. Technology advances such as this underscore the need for us to think about what we can do to innovate and invest in the digital future of New Zealand, as well as to support digital equity initiatives like the 2020 Trust and Digital Seniors.

This all points to the need to keep investing to enable new services and more capacity and speed to meet demand. If we can get that right, our network will in turn help New Zealand to diversify and grow, for the benefit of end customers and Chorus shareholders.

ENDS

Chorus Annual Meeting 8 November 2023

CEO's Address

Kia ora – nau mai haere mai.

Greetings, and welcome everyone.

WEATHER EVENTS



While looking back at last year, it is hard not to mention Cyclone Gabrielle. It was a devastating event for the people of the East Coast and was the largest weather event to have affected our network.

At its peak we had about 55,000 fixed connections without service, either due to loss of electricity or damage to our network.

The Chorus team and our service company technicians did a fantastic job to get services restored as fast as possible. In some cases, temporary links up to 5 kilometres long had to be deployed from helicopters.

The photo on the slide shows what they were up against with some major cable routes simply washed away. This Hikuwai River bridge was part of a back-up fibre route which we

invested in just over a decade ago to protect service into Gisborne and both this and an alternate route were cut by the cyclone.

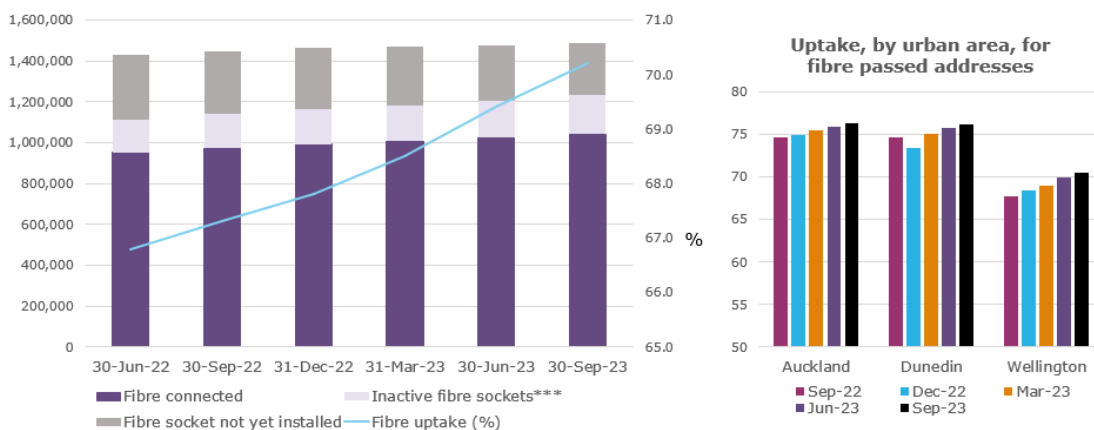
There are always lessons to be learnt from these kinds of events and we're working with the wider telco industry to identify ways we can do to improve resilience in the future.

One of the key lessons for us was just how resilient the fibre network is compared to our legacy copper network. Copper network customers were 10 times more likely to lose service and we saw fibre services restored twice as quickly once power came back on.

The extreme weather in FY23 impacted our reported EBITDA by \$7 million.

FIBRE UPTAKE

Fibre available to 1.48m addresses; 70% uptake



*based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in LFC areas
 ** includes ~7k fibre premium connections to addresses; excludes smart location (GPON) connections and connections in LFC areas
 *** not active on 30 September 2023

Despite this major impact and other challenges, we delivered solid fibre growth in the year. Our latest connections numbers showed we reached 70% uptake at the end of September. That's across our footprint of almost 1.5 million addresses.

And Auckland is fast approaching the 80% uptake mark.

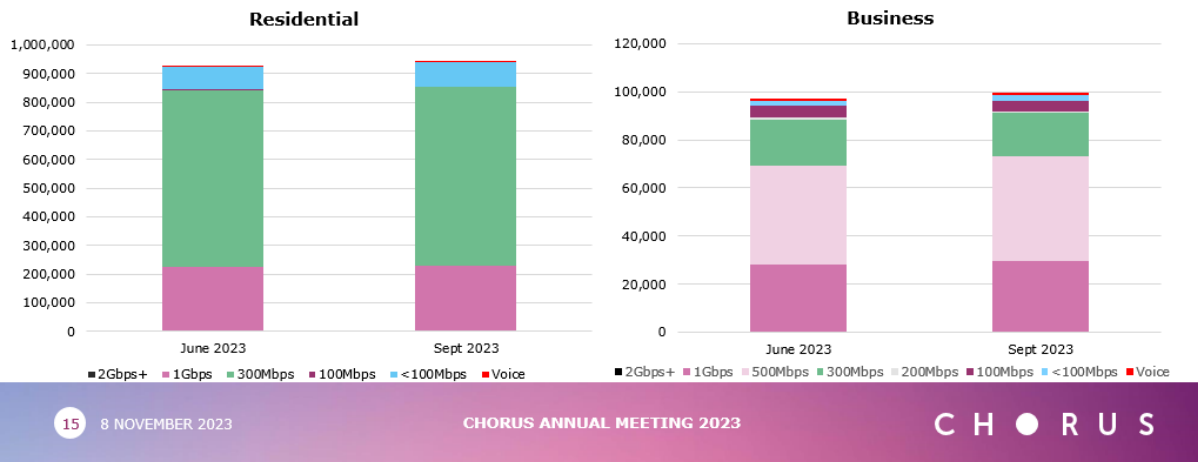
We finished the public-private rollout with the government just under a year ago and – despite the resourcing challenges created by COVID migration – we achieved our long-held target of 1 million fibre connections on schedule.

Since then we've continued to add connections steadily. While our pace was impacted earlier in the year, our workforce is now back to full strength and in the last quarter we added 19,000 fibre connections and grew the footprint by another 9,000 addresses.

PRODUCT MIX

Mass market fibre connections – Q1 FY24

- > Home Fibre Starter (50Mbps) connections grew from 16k to 23k
- > 1Gbps and Hyperfibre connections were 36% of net mass market fibre adds (Q4 FY23:44%)
- > 91% of connections are on 300Mbps or more



We’ve been pleased to see our entry level 50 megabit plan gain momentum in the last quarter with 7,000 connections added. We introduced this plan to help low usage and price sensitive consumers migrate from copper to fibre.

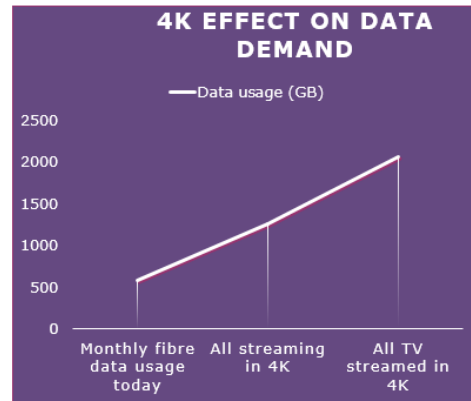
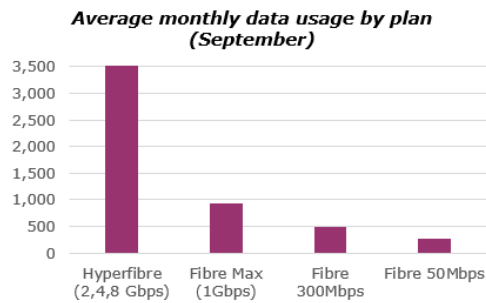
After a slow start, larger retailers have begun promoting the plan with positive results, including helping us connect customers that weren’t previously on our copper or fibre network.

Demand for our 1 gigabit plans also remains strong and continues to represent about a third of net adds. So, overall, more than 90% of our connections are on 300 megabits or above.

DATA USAGE

Data usage back at COVID levels; 4K to come

- > monthly average data usage on fibre 585GB in Sept
- > consumers on fast fibre plans use, on average, significantly more data than those on lower speed plans



While 1 gigabit plans make up about a quarter of our fibre connections, there are markets like Singapore where 1 gigabit is considered a basic broadband product. The Singapore government has just announced that it wants 10 gigabit services to be available by 2026 as part of its digital strategy.

Multi-gigabit services are starting to gain momentum globally with the deployment of new electronic equipment into fibre networks.

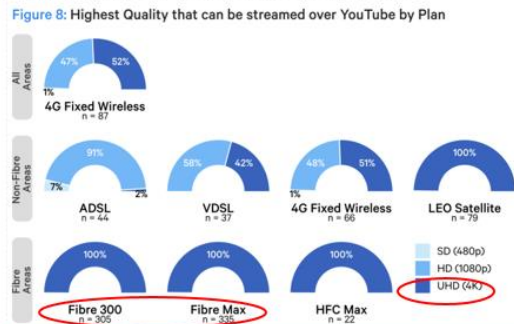
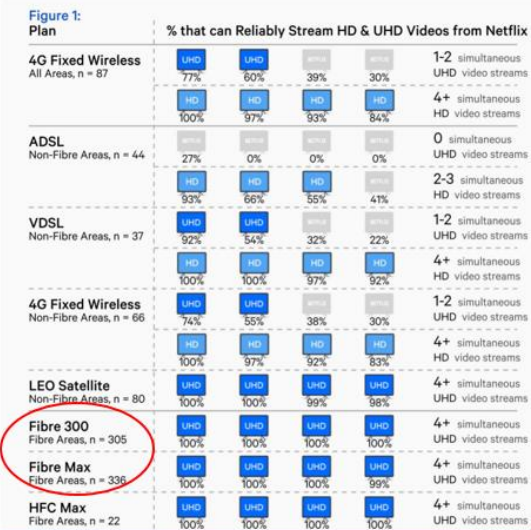
We already have several thousand customers on these Hyperfibre plans – that’s 2, 4 and 8 gigabits.

And you can see from the chart on the left how much more data these early adopters use each month. About 3,500 gigabytes compared to 1,000 gigabytes average for a consumer on a 1 gig plan.

Data usage overall is nearing 600 gigabytes average for consumers. And we expect the next significant lift in data usage to come from greater consumption of video over the internet and especially of 4K content.

ONLY FIBRE IS FIBRE-LIKE

Commerce Commission: *Measuring Broadband - NZ, Winter Report, Sept 2023*



The Commission has done a very useful job requiring transparency in broadband marketing. They publish quarterly reports that compare how different technologies perform on a range of factors.

And their data shows that fibre outclasses alternative technologies in almost every test.

Based on our own customer research, things like latency and reliability are really important to consumers. They value rock solid performance without interruption or delays.

So let's be clear: There's no "fibre-like" performance when comparing technologies. It's either fibre, or it's not.

OPERATING MODEL

A nimbler Chorus

Operating model transition from build to operate

> **Unlocking value through a matrix model**

- including three value streams with sharp strategies and end-to-end approaches



- historical functional units (Customer & Network Operations; Product, Sales & Marketing) realigned to drive strategic outcomes

- and enabling a thriving culture



With the fibre rollout completed, we've begun reshaping the way Chorus is set up. We want to be nimbler in executing our strategy as a network operator.

To achieve this, we've refreshed our operating model to unlock value and meet the needs of a changing market. This includes the creation of three end-to-end value streams.

- Access, to focus on fibre broadband to homes and businesses.
- Infrastructure, to focus on complex fibre solutions for our customers and to leverage Chorus' assets to generate new revenues.
- And Fibre Frontier, focused on executing our rural and regional strategy.

A SIMPLER BUSINESS



Becoming an all-fibre digital infrastructure company

<p>Chorus UFB area</p> <ul style="list-style-type: none"> 31k copper voice lines 48k copper broadband lines <ul style="list-style-type: none"> FY23: 544 cabinets closed and ~30k consumer notices FY24 target: 750+ cabinets closed, 30k+ consumer notices, 88% broadband retention rate <p>Retired by end 2026</p>	<p>Local fibre co. area</p> <ul style="list-style-type: none"> 12k copper voice lines 17k copper broadband lines <ul style="list-style-type: none"> targeted copper withdrawal where remaining connections are uneconomic first trial notices issued 	<p>Non-fibre area</p> <ul style="list-style-type: none"> 21k copper voice lines 85k copper broadband lines <ul style="list-style-type: none"> Chorus market share <50% <50% of remaining connections are TSO qualifying testing satellite options regulatory review 2025 <p>Retired by early 2030s</p>
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Ultimately, these changes are all about simplifying our business and becoming an all-fibre digital infrastructure company.

The rollout of better and more sustainable fibre networks means the days of copper networks are numbered. In those areas where we built UFB fibre, we expect to retire copper by the end of 2026.

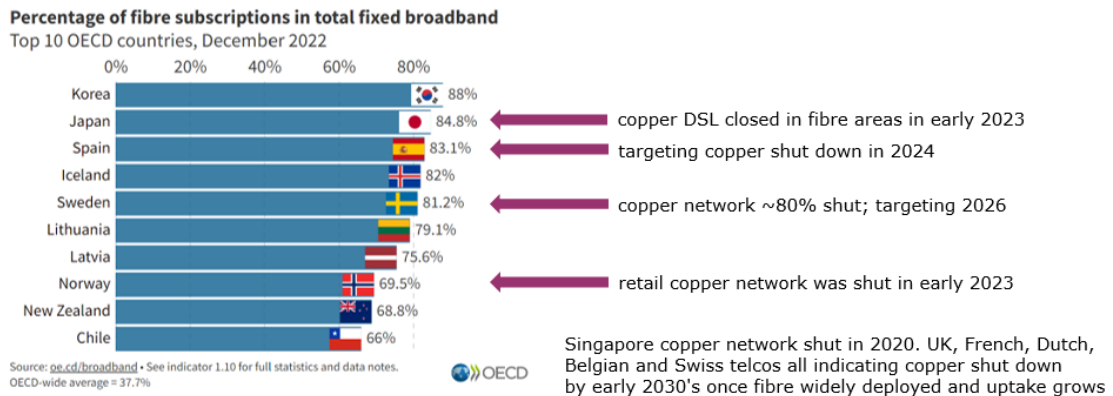
To date we’ve issued about 34,000 notices to copper customers and shut almost 700 broadband cabinets. At the end of September there were fewer than 80,000 copper connections remaining in areas where we have fibre available.

Outside fibre areas, just over 100,000 copper connections remain. A Commerce Commission study showed that copper has less than 50% market share in these areas, as consumers are choosing satellite and wireless technologies that better meets their needs than copper.

These market changes ultimately point to a full disconnection of Copper networks. Here in New Zealand, we believe that this should happen within a decade.

OECD UPTAKE

The sun is setting on copper networks worldwide



We are not the only country reaching this stage. Last week we met with a range of network operators at a global broadband conference in Europe.

While NZ was early to the mark targeting 87% fibre coverage through the UFB program, and reaching 70% take up, many countries in Europe are now targeting 95%+ fibre coverage and have similar or higher uptakes. Spain for example is at 83%.

Given these high fibre coverage and take up rates, copper networks are actively being turned off.

Norway, with about 70% uptake - and a similar population and geography to New Zealand - shut their retail copper network in January.

Spain plans to shut their copper network in the next year.

So with NZ in 9th position among OECD countries for fibre uptake at the end of 2022 it is time we accelerate the copper disconnection discussion.

WORKING TOGETHER



It is also time to reopen a conversation about extending fibre coverage beyond the current footprint. As the research for our regulatory expenditure proposal shows, Kiwi consumers believe that rural communities should not be left on the other side of a digital divide.

And there's billions of dollars in economic benefit to be gained by enabling city-grade broadband in these areas. That's the rationale behind government investment programmes in both Europe and the USA to take fibre as far as possible.

We have been doing some of that, but only in a targeted way. Earlier this year, we completed work on building fibre backhaul into Milford Sound. This was achieved with the help of government funding and it now supports eight mobile towers to provide coverage for motorists on the way.

More importantly, we can now get on with connecting the 120 or so residents in Milford Sound to fibre. And that will in turn help enhance their local businesses and their interaction with the wider world. Not to mention the tourists who will be using a whole lot of data to show just why everyone should visit such a magic place.

This is the kind of transformative outcome that is a blueprint for how government, industry and network builder can unite for a common cause.

The challenge is to find a way to leverage the benefits of fibre broadband for even more New Zealanders, and we look forward to working together with the new government to do more.

ENDS

Annual Meeting

8 NOVEMBER 2023

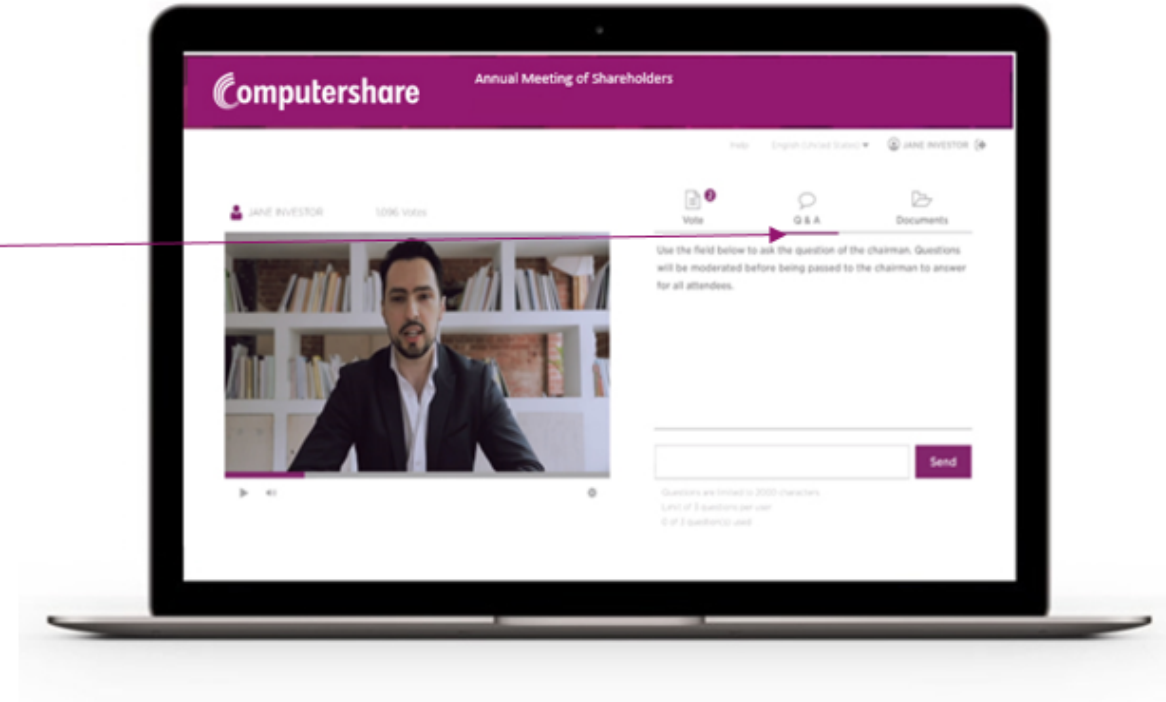
C H ● R U S

How to Participate in Virtual/Hybrid Meetings (Q&A)

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



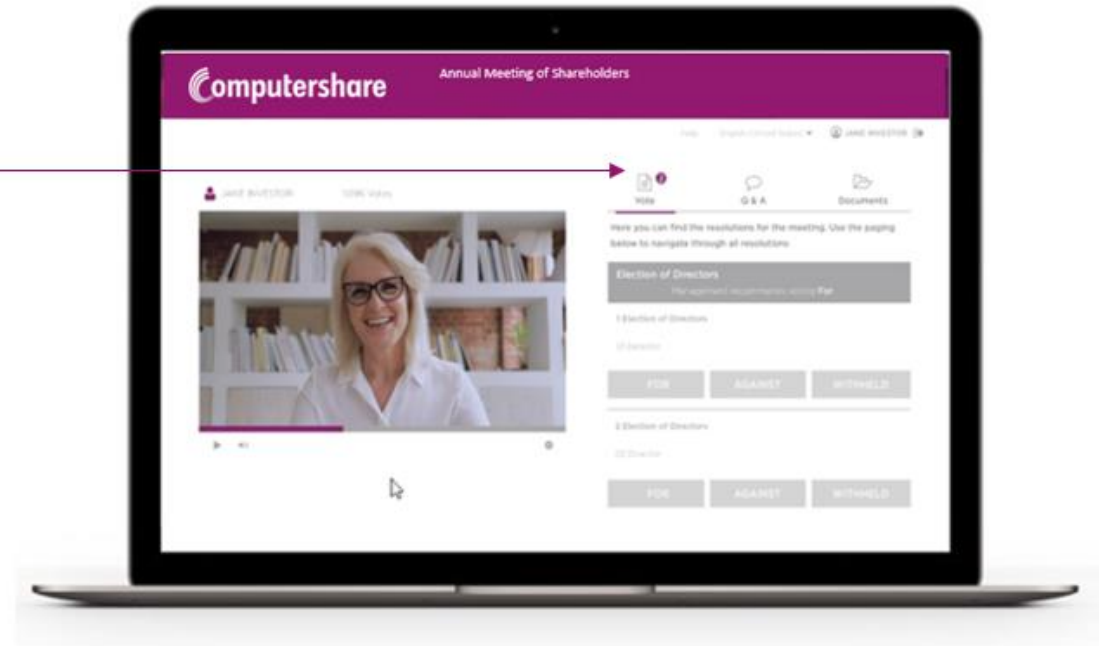
How to Participate in Virtual/Hybrid Meetings (Voting)

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Agenda

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- CEO address
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Your Board



Mark Cross
Chair



Sue Bailey



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Will Irving



Murray Jordan

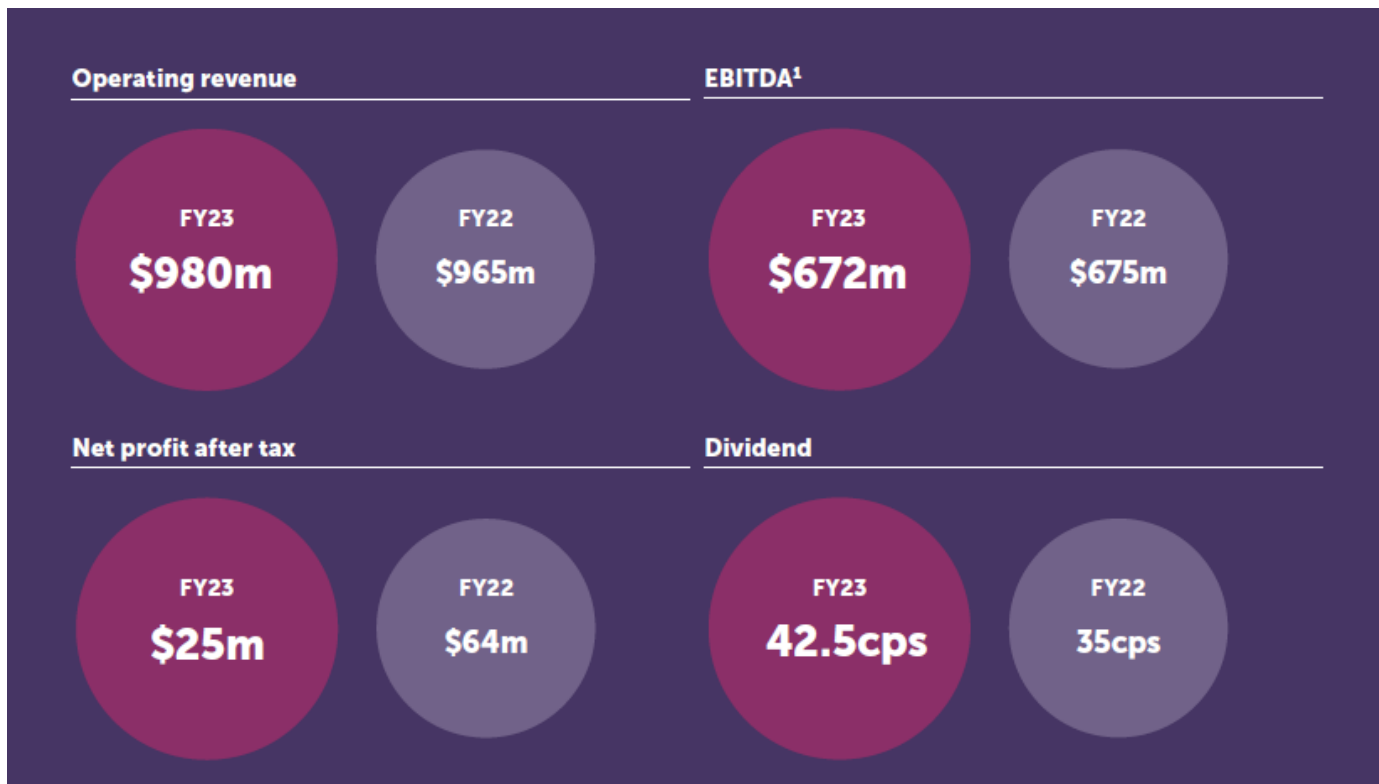


Kate Jorgensen



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Over a period of economic volatility, inflationary pressures and uncertainty, Chorus continued to prove its resilience as an essential utility provider. As the recent pandemic and extreme weather events have shown, Kiwi homes and businesses are more reliant than ever on our fast and reliable broadband connections to live, learn, work and play.

We've announced a final unimputed dividend for the year of 25.5 cents per share, bringing total dividends for FY23 to 42.5 per share. The dividend reinvestment plan remains paused.

This is my first annual report as Chair after six years on the Board as a director. I'm excited to be part of Chorus' transition from a successful era of building one of the world's most advanced fixed broadband networks to now operating as a digital infrastructure company that can power New Zealand's digital future.

Strategy and Core Beliefs

I think it's important for shareholders to understand what our beliefs as a board are for your company. These beliefs underpin Chorus' three strategic pillars: to win in core fibre, to optimise the non-fibre asset base and to grow new revenues.

- **Empowering our people:** One of the best investments we can make is in having the right people, empowered and appropriately incentivised. Our aspiration is for Chorus to be a diverse and inclusive employer of choice.
- **Fibre is future-proofed:** We believe fibre is the most effective technology choice for the vast majority of New Zealanders because it provides a dedicated connection that delivers fast and extremely reliable connectivity. While alternative technologies have a place in the market, fibre has a clear and easily scalable upgrade path to meet the expected growth in consumer needs far into the future.
- **Connections, connections, connections:** Chorus' long-term value is inextricably linked to fibre connections. Now that we've built a world-class network, in partnership with government, the greatest benefit to the country is to harness its potential. We've begun retiring the copper network in our urban fibre areas and this will drive fibre uptake even higher. Consumers value fibre above other technologies as a high-quality dependable service and we're willing to invest in connecting more addresses and devices (e.g. traffic cameras) where the acquisition cost is justified by the long-term value of that connection.

- **Managed exit from copper:** Our copper network is nearing the end of its technological life and alternative technologies will be needed beyond the reach of fibre. Our focus is on managing our copper costs down while deploying fibre to the maximum extent and ensuring regulation supports consumers to get the best possible services.

- **Be an active wholesaler:** As an open access wholesaler we treat all our retailer customers equally. Yet, our largest customers are also our network competitors and have direct consumer relationships where we don't. This means we need to be an active wholesaler, promoting our network services and ensuring that the regulatory regime supports a level playing field between network providers and keeps consumers fully informed.

- **Promote digital equity:** We're the provider of an essential utility service that enables New Zealanders to access an increasingly digitised world. This means Chorus can and should play its part in improving digital equity. Because we're a wholesale only provider, this requires a collaborative effort with government agencies and retail service providers.

- **Prioritise long-term value:** Capital allocation is one of our most important responsibilities. We're making investment decisions for long-term value, not short-term profit. We'll prioritise the efficient allocation of capital that grows shareholder value and supports a growing sustainable dividend through time. Our assessment of the necessary level of returns, the impact on consumer pricing, competitive market conditions, and the parameters of our dividend policy and debt limits, will guide our approach to discretionary investment.

- **A considered approach to new opportunities:** We believe generating non-regulated income streams is important, but they must pay their way. We would need to have, or build, the capability to run these businesses well. We'll tread carefully and generally steer away from businesses that our shareholders can invest in directly, unless there is a compelling adjacency to, and synergies with, our core business.

- **An appropriate capital structure:** We're committed to maintaining a capital structure reflective of a utility business. At the heart of this is the maintenance of an investment-grade credit rating (BBB or equivalent) and financial policies that support this. We've begun turning our minds to the first tranche of Crown funding that will be due in mid-2025.

CHORUS

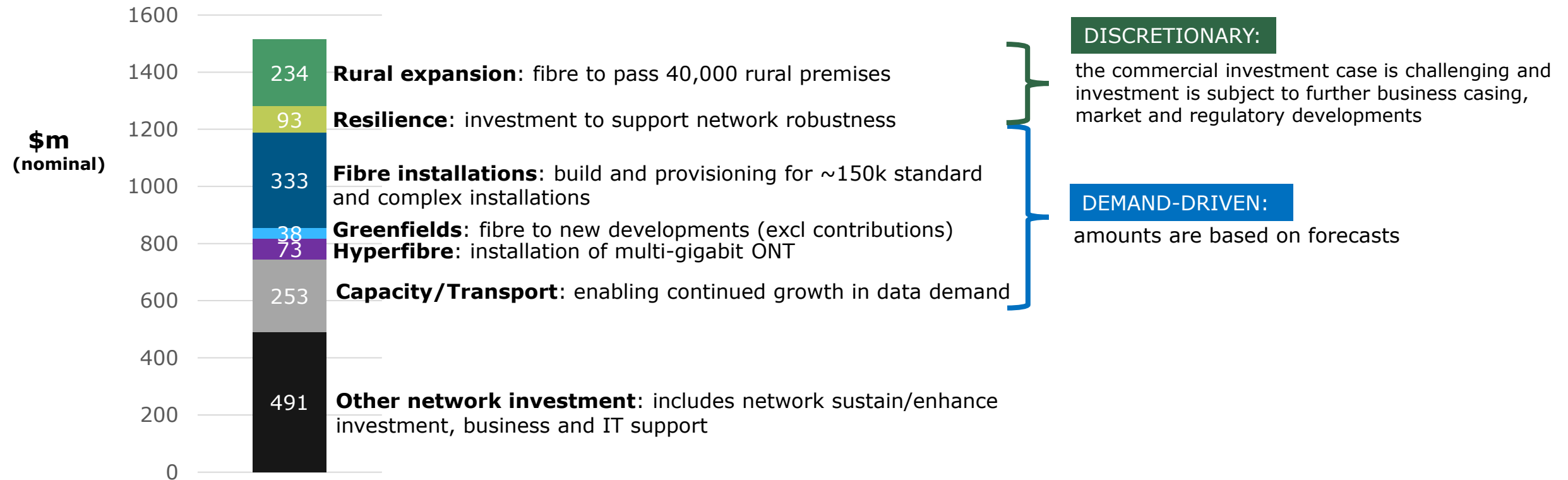
How we developed our PQP2 proposal

Extensive end-user and stakeholder inputs overlaid by Independent Verification



Key elements of proposed \$1.5bn investment

Majority of investment is discretionary or linked to demand



Long-term investment requires certainty

To ensure good outcomes for end customers and fair returns for investors, we need...

- 1.** To know regulatory settings won't be interpreted or changed in a way that undermines a fair return.
- 2.** Confidence the government's wholesale fibre network model isn't being undermined by large vertically integrated retailers who unfairly favour their own wireless networks.
- 3.** A regulatory process that has the flexibility to allow for the dynamic nature of the telecommunications industry. (e.g. changing market conditions that diminish the business case, or government policy/funding that helps accelerate or reshape investment)



Broadband isn't standing still....

Google Fiber has just announced the launch of 20Gbps plans

"We already have **tens of thousands** of multi-gig customers – with demand curves exceeding our expectations"



20 Gig + Wi-Fi 7

Brought to you by  GFiber Labs

CEO Address

ANNUAL MEETING 2023

8 NOVEMBER 2023

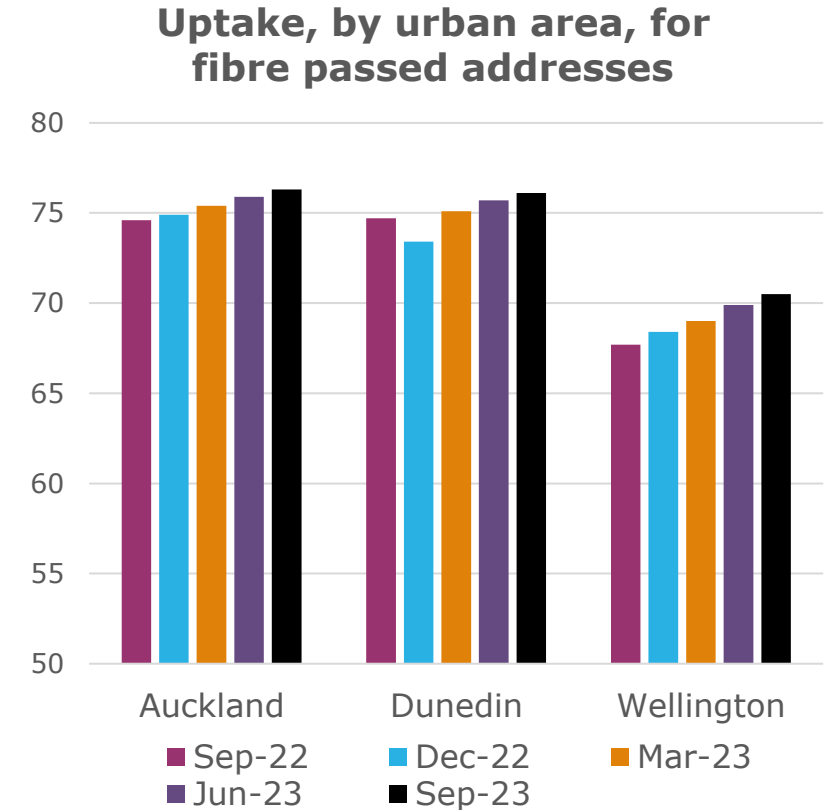
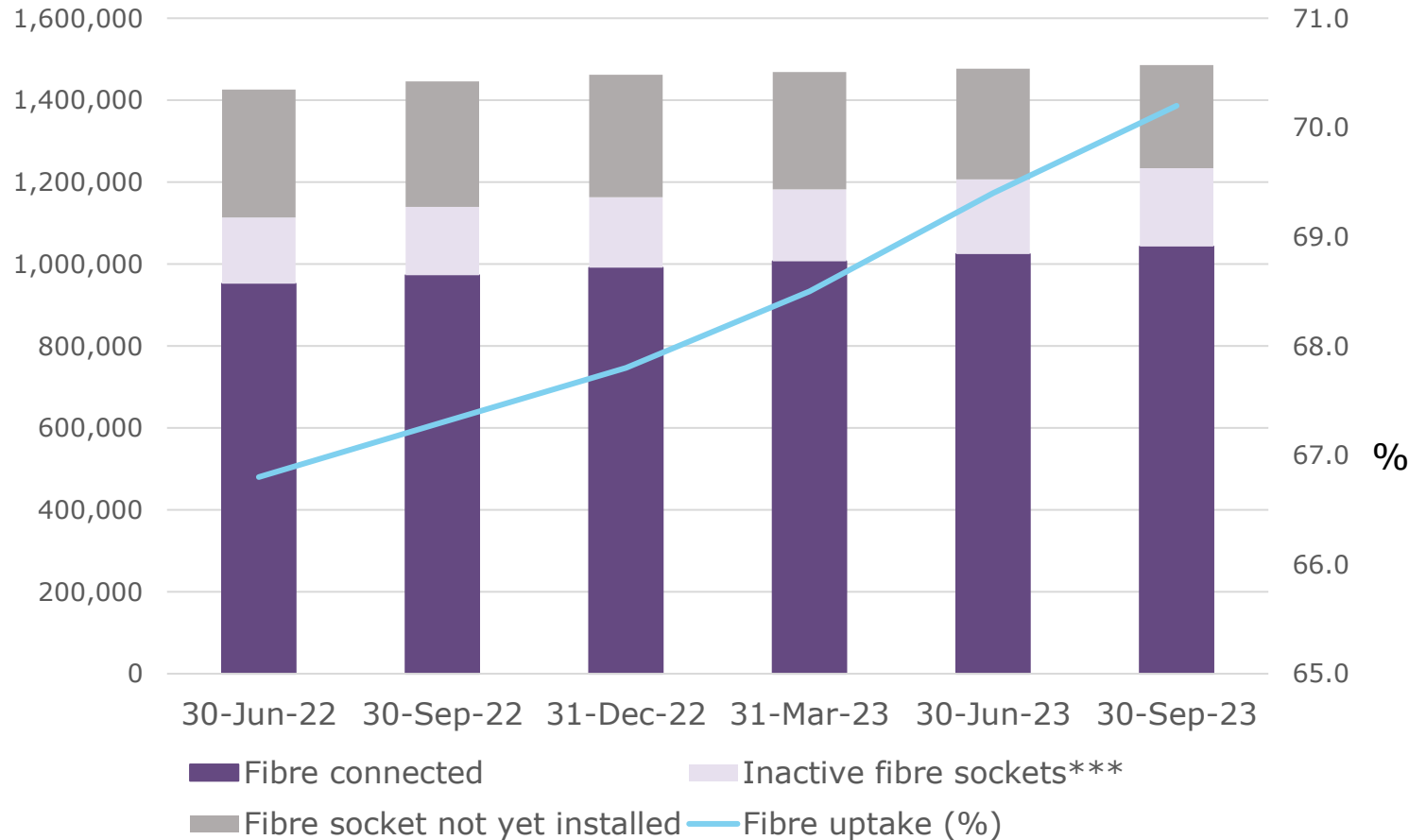
C H ● R U S



Cyclone Gabrielle in Feb '23

- 55,000 fixed connections disrupted
- Copper customers 10-times more likely to lose service
- Fibre services restored twice as quickly

Fibre available to 1.48m addresses; 70% uptake

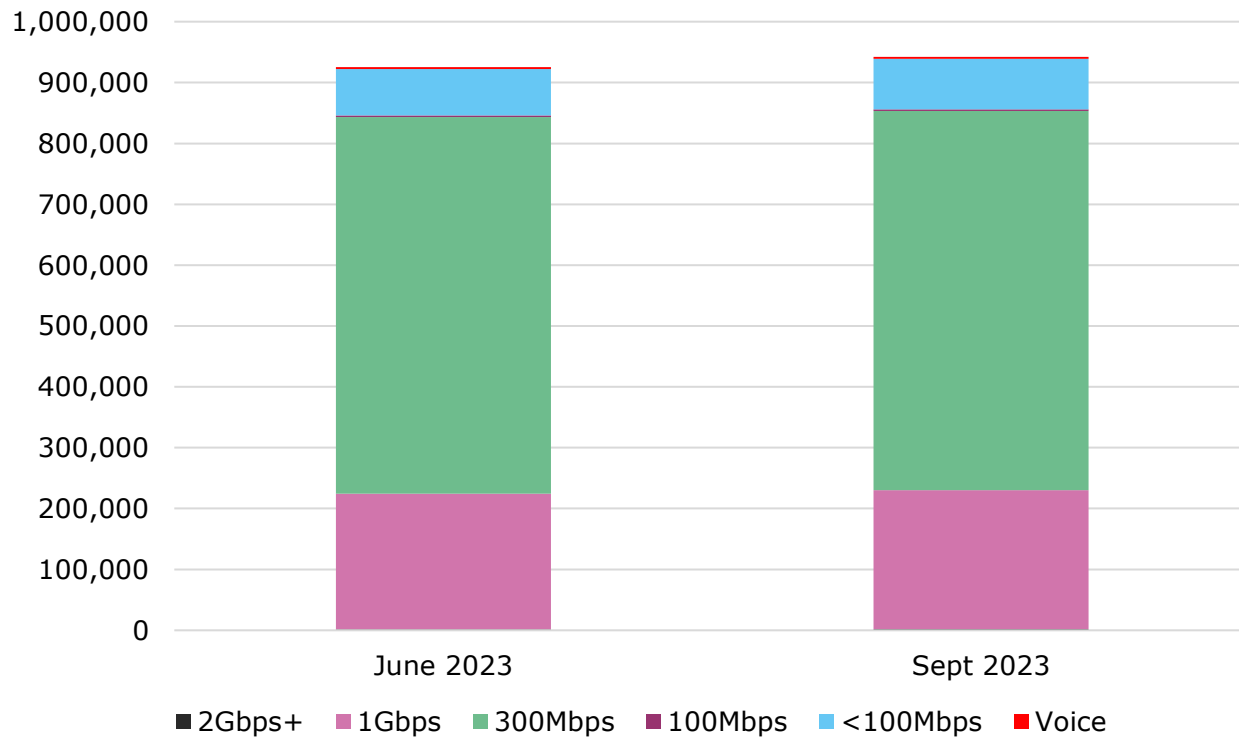


*based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in LFC areas
 ** includes ~7k fibre premium connections to addresses; excludes smart location (GPON) connections and connections in LFC areas
 *** not active on 30 September 2023

Mass market fibre connections – Q1 FY24

- > Home Fibre Starter (50Mbps) connections grew from 16k to 23k
- > 1Gbps and Hyperfibre connections were 36% of net mass market fibre adds (Q4 FY23:44%)
- > 91% of connections are on 300Mbps or more

Residential



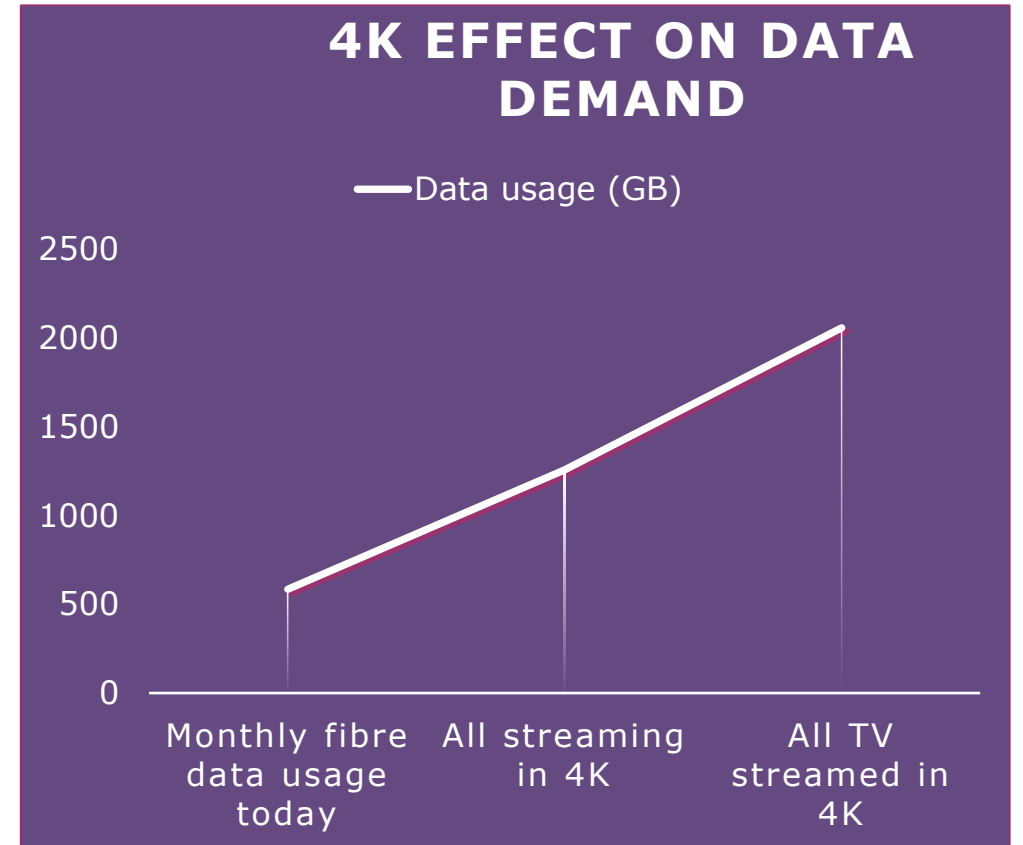
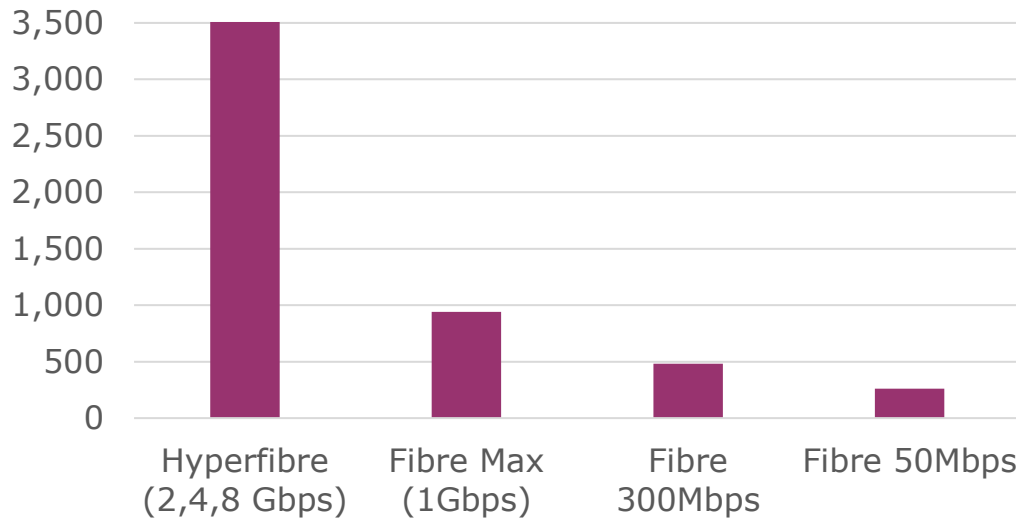
Business



Data usage back at COVID levels; 4K to come

- > monthly average data usage on fibre 585GB in Sept
- > consumers on fast fibre plans use, on average, significantly more data than those on lower speed plans

Average monthly data usage by plan (September)



Commerce Commission: *Measuring Broadband - NZ, Winter Report, Sept 2023*

Figure 1:

Plan	% that can Reliably Stream HD & UHD Videos from Netflix				
4G Fixed Wireless All Areas, n = 87	UHD	UHD	NETFLIX	NETFLIX	1-2 simultaneous UHD video streams
	77%	60%	39%	30%	
	HD	HD	HD	HD	4+ simultaneous HD video streams
	100%	97%	93%	84%	
ADSL Non-Fibre Areas, n = 44	NETFLIX	NETFLIX	NETFLIX	NETFLIX	0 simultaneous UHD video streams
	27%	0%	0%	0%	
	HD	HD	HD	NETFLIX	2-3 simultaneous HD video streams
	93%	66%	55%	41%	
VDSL Non-Fibre Areas, n = 37	UHD	UHD	NETFLIX	NETFLIX	1-2 simultaneous UHD video streams
	92%	54%	32%	22%	
	HD	HD	HD	HD	4+ simultaneous HD video streams
	100%	100%	97%	92%	
4G Fixed Wireless Non-Fibre Areas, n = 66	UHD	UHD	NETFLIX	NETFLIX	1-2 simultaneous UHD video streams
	74%	55%	38%	30%	
	HD	HD	HD	HD	4+ simultaneous HD video streams
	100%	97%	92%	83%	
LEO Satellite Non-Fibre Areas, n = 80	UHD	UHD	UHD	UHD	4+ simultaneous UHD video streams
	100%	100%	99%	98%	
Fibre 300 Fibre Areas, n = 305	UHD	UHD	UHD	UHD	4+ simultaneous UHD video streams
	100%	100%	100%	100%	
Fibre Max Fibre Areas, n = 336	UHD	UHD	UHD	UHD	4+ simultaneous UHD video streams
	100%	100%	100%	99%	
HFC Max Fibre Areas, n = 22	UHD	UHD	UHD	UHD	4+ simultaneous UHD video streams
	100%	100%	100%	100%	

Figure 8: Highest Quality that can be streamed over YouTube by Plan

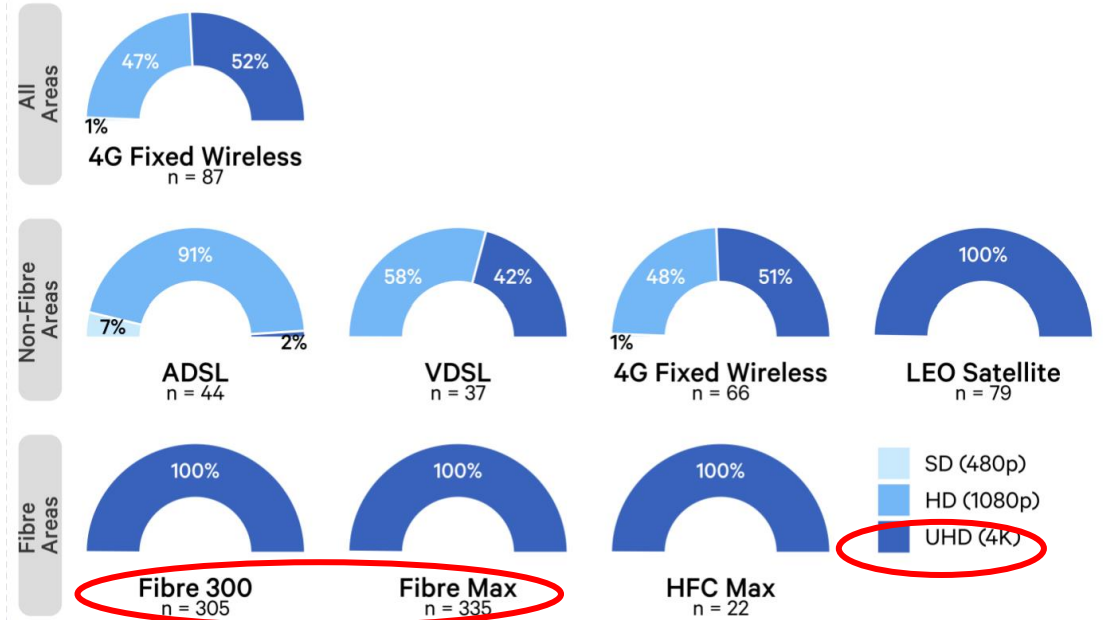
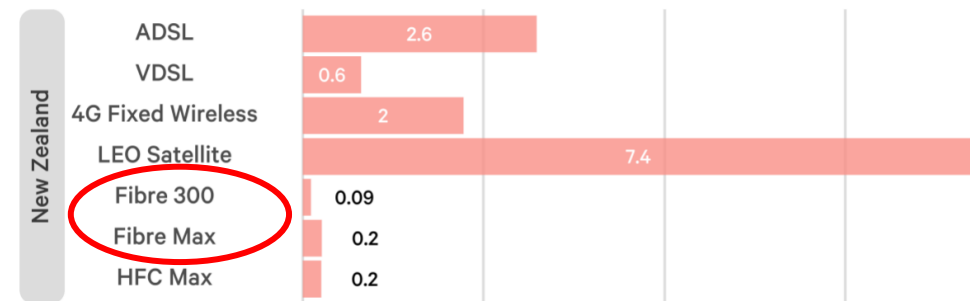


Figure 9: Median Daily Disconnection Rates. Lower is Better.

Medians of household daily rates. A disconnection means that two or more packets in a row don't complete a full round trip. Testing only covers periods where the line is idle.



A nimbler Chorus

Operating model transition from build to operate

> Unlocking value through a matrix model

- including three value streams with sharp strategies and end-to-end approaches



- historical functional units (Customer & Network Operations; Product, Sales & Marketing) realigned to drive strategic outcomes
- and enabling a thriving culture



OPTIMISE
NON-FIBRE
ASSET BASE



Becoming an all-fibre digital infrastructure company

Chorus UFB area

- 31k copper voice lines
- 48k copper broadband lines

- FY23: 544 cabinets closed and ~30k consumer notices
- FY24 target: 750+ cabinets closed, 30k+ consumer notices, 88% broadband retention rate

**Retired by
end 2026**

Local fibre co. area

- 12k copper voice lines
- 17k copper broadband lines

- targeted copper withdrawal where remaining connections are uneconomic
- first trial notices issued

Non-fibre area

- 21k copper voice lines
- 85k copper broadband lines

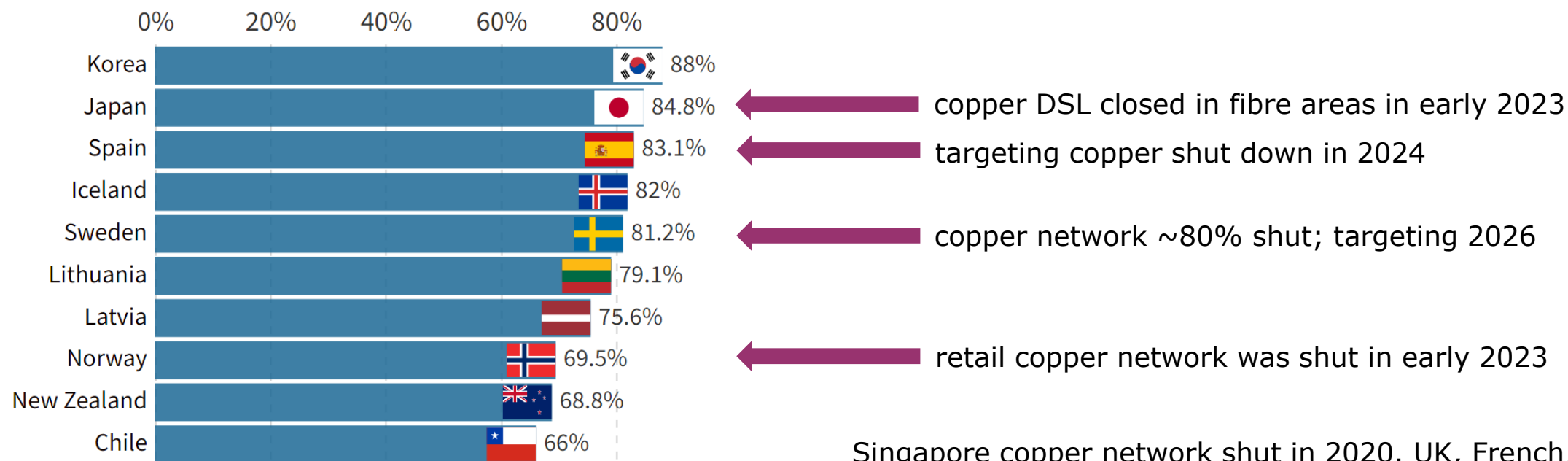
- Chorus market share <50%
- <50% of remaining connections are TSO qualifying
- testing satellite options
- regulatory review 2025

**Retired by
early 2030s**

The sun is setting on copper networks worldwide

Percentage of fibre subscriptions in total fixed broadband

Top 10 OECD countries, December 2022



Source: oe.cd/broadband • See indicator 1.10 for full statistics and data notes.
OECD-wide average = 37.7%



Singapore copper network shut in 2020. UK, French, Dutch, Belgian and Swiss telcos all indicating copper shut down by early 2030's once fibre widely deployed and uptake grows

TAKING FIBRE FURTHER

- NZ\$16.5 billion benefit over 10 years
- 120km fibre connecting Milford Sound, pop. 120
- 8 new cell towers en route



Resolutions

ANNUAL MEETING 2023

8 NOVEMBER 2023

C H ● R U S

Resolutions

1. That Ms Kate Jorgensen be re-elected as a Chorus director.
2. That Mr Jack Matthews be re-elected as a Chorus director.
3. That the Board be authorised to fix the fees and expenses of KPMG as auditor.

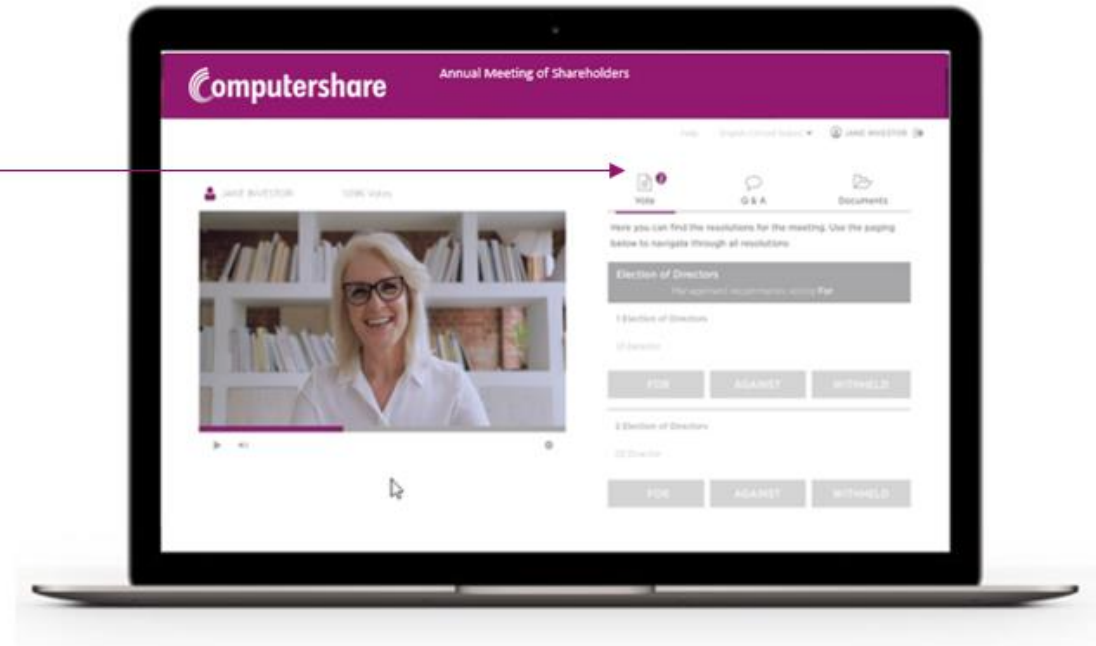
How to Participate in Virtual/Hybrid Meetings (Voting)

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Resolution 1: Re-election of Kate Jorgensen

That Ms Kate Jorgensen be re-elected as a Chorus director.



Kate Jorgensen

MTF, BBus, CA

Director since 1 July 2020
Independent

Resolution 2: Re-election of Jack Matthews

That Mr Jack Matthews be re-elected as a Chorus director.



Jack Matthews

BA Philosophy, College of William and Mary

Director since 1 July 2017
Independent

Resolution 3: Auditor's fees and expenses

That the Board be authorised to fix the fees and expenses of KPMG as auditor.

Questions?



Feedback

We welcome your feedback.

If you have additional questions, please email us at:

company.secretary@chorus.co.nz

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- Includes statements relating to past performance which should not be regarded as reliable indicators of future performance.
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- 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.
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