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- Should be read in conjunction with Chorus' audited consolidated financial statements for the year to 30 June 2025 and NZX and ASX market releases.
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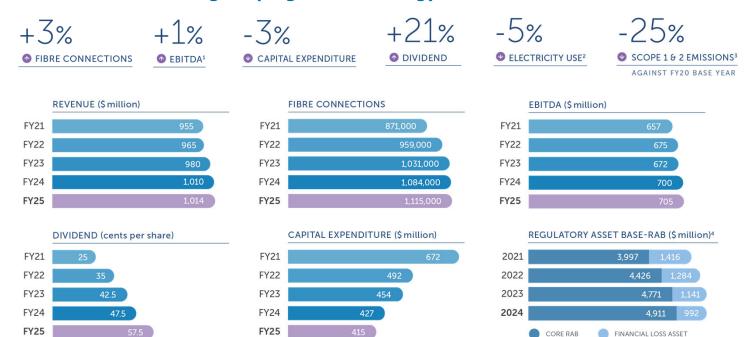


Agenda

FY25 overview, Horizon 1 progress	4-6
• Lead	7-11
Expand	12
Adapt	13
• Pioneer	14
 Continuing to explore strategic options 	15
Financial results	16-20
 Capex and net debt 	21-23
Dividend and FY26 guidance	24
• Outlook for FY26, Horizon 2	25-31
 Pricing and market data 	33-36
 Additional financial information 	37-38
 Regulatory information 	39-41
	 Lead Expand Adapt Pioneer Continuing to explore strategic options Financial results Capex and net debt Dividend and FY26 guidance Outlook for FY26, Horizon 2 Pricing and market data Additional financial information

FY25 Overview

A resilient result with good progress on strategy



- Delivered innovation through Boost speed upgrades
- Driven greater awareness of Fibre
- Positive regulatory pathways emerging
- Fibre revenue growth +7%
- Strong cost management in inflationary environment
- Sustaining capex held flat at \$205m
- Operating cash flows of \$559m, up 9%
- **Dividend up 21%** to 57.5cps for FY25
- Transitioning to Horizon 2, focus on simplicity & efficiency

-4

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.

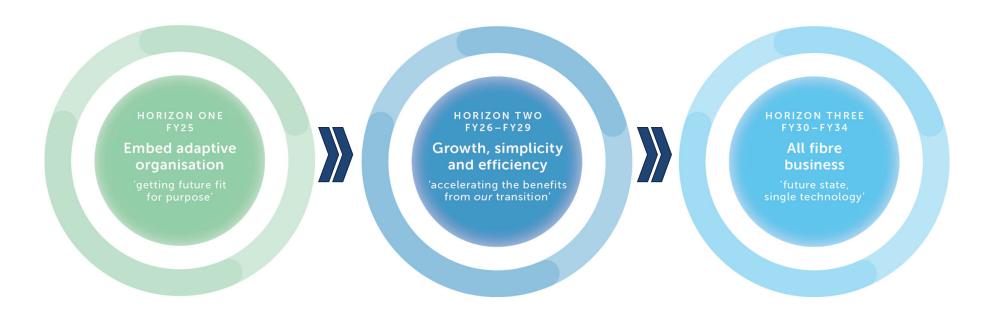
^{4.8%} reduction (rounded to 5%) in electricity use in FY25 against FY24. For detailed Chorus' climate related information, please refer to the Climate Statements available at company.chorus.co.nz/sustainability.
In FY25, Chorus had a 25% reduction in scope 1 & 2 emissions against our FY20 base year, compared to a 39% reduction in FY24. This FY25 increase is primarily due to the use of the recently published Ministry for

the Environment (ME) emission factors for electricity, which increased by 39%.

⁴ As at 31 December.

OUR PRIORITIES Strategy on track **LEAD** OUR MINDSETS Leading fibre uptake Be bold, ignite growth OUR PURPOSE **EXPAND** Expand new revenues **Unleashing potential** Connect Simplified all fibre through connectivity. communities, business with 80% empower **Enabling better** people uptake by 2030 futures for Aotearoa **ADAPT** Achieve operational excellence Honour our legacy, reimagine our future **PIONEER** Pioneer C H • R U S an all-fibre business

Transition from Horizon 1

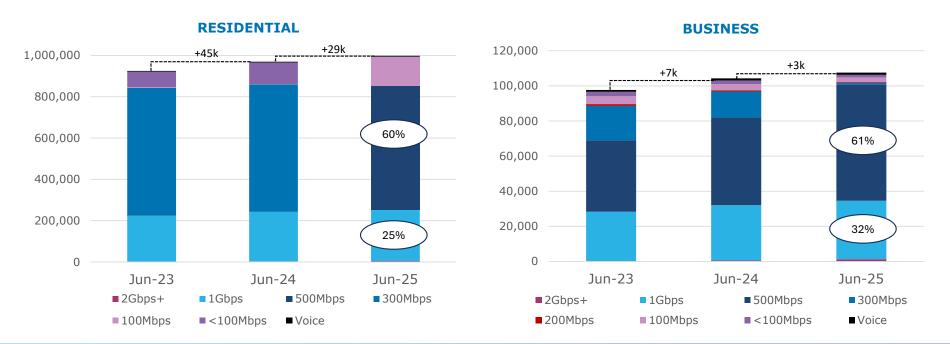






Fibre growth continues; speeds boosted in June

- LEAD
- Home Fibre Starter now 100/20Mbps: grew by 41k to 88k in FY25. Majority of growth from new/offnet and ~1/4 from higher speed plans
- demand for 1Gbps+ stable; 25% of residential connections on 1Gbps or faster with ~5k on *Hyperfibre* 2Gbps+ plans
- residential 50Mbps and 300Mbps plans boosted to 100Mbps and 500Mbps respectively in mid-June



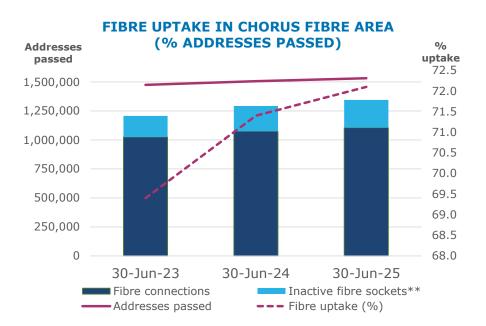


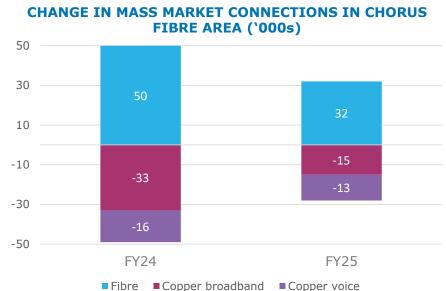


Fibre uptake lifts to 72.1%

LEAD

- fibre uptake at 72.1% (FY24:71.4%): later UFB2 areas +4% to 62%; earlier UFB1 areas at 75%
- fibre footprint grew 26k to 1,532,000 addresses passed* at 30 June
- return to growth in Chorus fibre areas as copper withdrawal programme ends (see chart on right)





^{*} based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in Local Fibre Company (LFC) areas

- 8

^{**} not active on 30 June

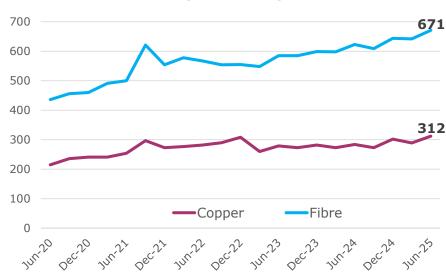




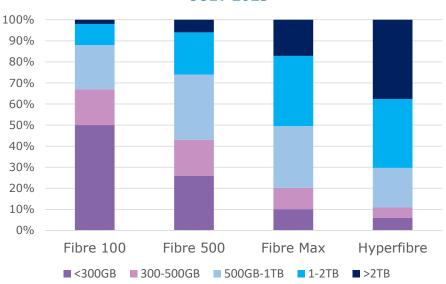
Data usage accelerating

- LEAD
- monthly average fibre data usage growing strongly to 671GB (July 2025: 684GB vs June 2024: 623GB)
- 19% of fibre customers used >1Terabyte of data in June 2025 (June 2024: 16%)
- recent Boost indicates users have benefited from the faster download speed, improving our competitive position with consumers

MONTHLY AVERAGE DATA USAGE PER CONNECTION (GIGABYTES)



CONNECTIONS BY SPEED TIER AND USAGE JULY 2025





+767

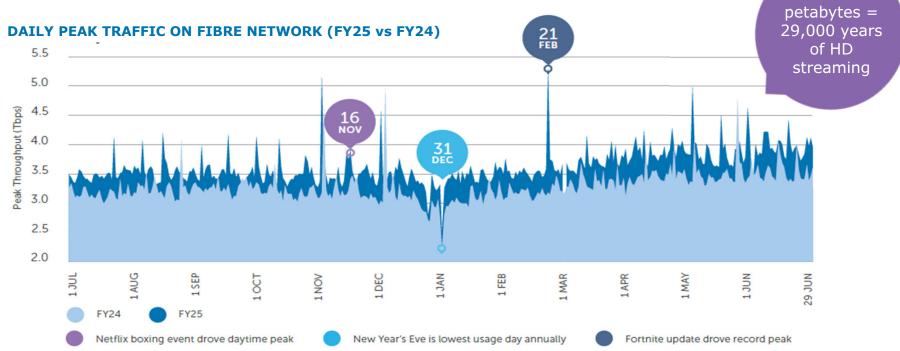


A robust and scalable fibre network

LEAD

- significant increase in data traffic at 8,741 petabytes in FY25; up 767 petabytes from FY24
- 96% of data on fibre network, showing scalability at marginal cost







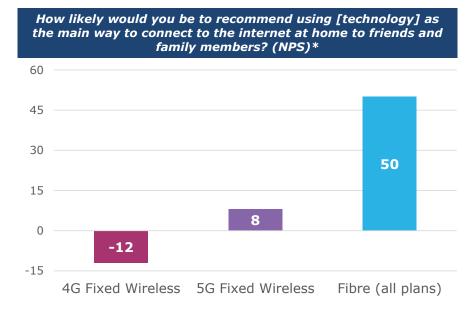


Focus as a market challenger

LEAD

- market repositioning with direct to consumer communication
- marketing raising awareness of fibre's superiority vs fixed wireless
- consumer monitoring shows fibre significantly outperforming fixed wireless Net Promoter Score (NPS)





*Source: Consumer Monitor Survey, 6 months to July 2025 for metro/suburban areas



12



Steady demand for infrastructure connectivity

EXPAND

- New property development: 24k lots passed in FY25; order pipeline stabilising back at pre-Covid levels of 20k-25k
- Data centres: new Express Connect service to simplify and accelerate DC connectivity; enables remote provisioning
- Mobile infrastructure: continued growth in backhaul demand to new cellsites; ~3,400 cellsite connections
- **Smart locations (e.g. CCTV, traffic lights):** grew another 23% to 2,500+ connections; assisted by copper migration
- **Legacy services:** some revenue headwinds as we retire copper services and obsolete enterprise fibre systems
- Trans-Tasman Ring: MoU and engagement with Datagrid ended as the project did not meet our investment criteria.
 We'll continue to monitor future opportunities in the sector but this is no longer an area we are actively pursuing

NEW PROPERTY DEVELOPMENT PIPELINE - LOTS PASSED





13



FY25: getting future fit

Significant changes made in Horizon 1 (FY25) to enable our shift away from a build focus and become the great network operator over Horizon 2 (FY26-FY30)

Operating model evolution:

- □ organisation redesign and investment in new capability resulting in ~60 fewer roles
- introducing new Retention and Data & Analytics capability
- exploring opportunities for further business integration of AI
- " 'Fibre Frontier' value stream now managing e2e copper network retirement and asset optimisation

Regulatory clarity for PQP2 (CY2025-2028):

- ID reporting (31 May) showed CNU was very close to earning the 2024 MAR
- PQ-FFLAS opex allocations will reflect copper withdrawal and decline in copper direct costs
- Chorus calls for regulatory simplification reflected in telco sector review terms of reference

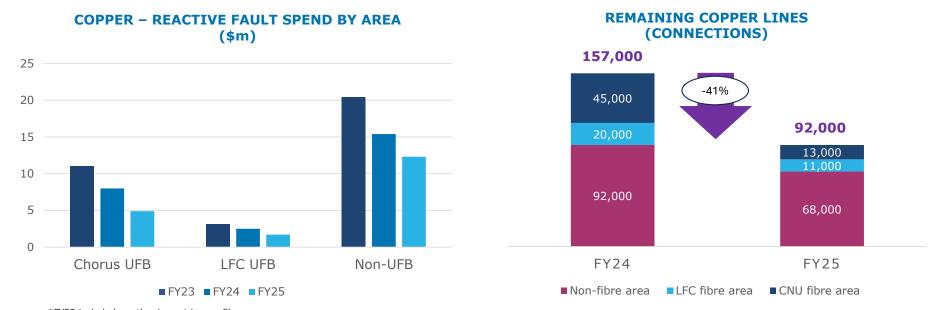




Countdown to urban copper retirement

PIONEER

- total copper fault volumes reduced by 16k ~\$7m reduction in copper fault spend
- shutdown in Chorus fibre areas now expected by mid-2026; just 13k lines remaining in service
- copper lines in non-fibre areas reduced by 26% in FY25; migration of 1,500 legacy radio customers almost complete
- 1,090 tonnes cable recycled; copper recycling trial contributed \$3m revenue; good learnings for ongoing programme
- fibre expansion to 9k existing premises: 4.5k premises ready to connect with 1,200 connected



*FY23 included weather impact in non-fibre areas

Continuing to explore strategic options











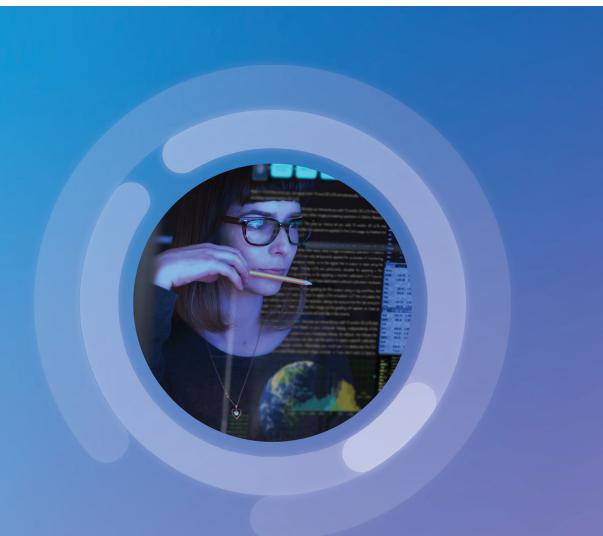


Note: green = on track; amber = under review for scalability; red = not actively proceeding



Financial performance

Drew Davies, COO



Income Statement

	FY25 \$m	FY24 \$m
Operating revenue	1,014	1,010
Operating expenses	(309)	(310)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	705	700
Depreciation & amortisation	(474)	(462)
Earnings before interest & income tax	231	238
Net finance expense	(210)	(217)
Net earnings before income tax	21	21
Income tax expense	(17)	(30)
Net earnings / (loss)	4	(9)

- fibre connection and ARPU growth largely offset by legacy revenue decline
- simplification and strong cost management offset inflation-linked and regulatory increases
- copper asset depreciation up \$9m to \$99m
- interest costs reduced \$8m with weighted effective interest decreasing from 5.77% to 5.39%
- FY24 included \$15m one-off non-cash expense for tax depreciation of buildings

Revenue

	FY25 \$m	FY24 \$m
Fibre broadband (GPON)	745	697
Fibre premium (P2P)	64	69
Copper based broadband	56	83
Copper based voice	17	28
Data services copper	2	3
Field services products	64	67
Infrastructure	35	33
Value added network services	26	26
Other	5	4
Total	1,014	1,010

- ARPU grew from \$55.71 to \$58.98 even with price changes deferred by a quarter to January 2025
- legacy enterprise service platform being retired with customers migrating to other services or networks
- copper service revenues reduced \$39m as connection volumes declined 41%
- new property development revenues reduced \$4m to \$22m
- growth in colocation revenues
- ongoing demand for legacy network services
- FY25 includes \$3m net gain from copper cable recycling
- indicative regulated fibre (PQ-FFLAS) share of revenue 83% (FY24: 78%)

Expenses

	FY25 \$m	FY24 \$m
Labour	85	80
Network maintenance	47	53
IT	40	44
Other network costs	37	37
Rent, rates & property maintenance	27	27
Electricity	22	22
Advertising	12	11
Consultants	9	6
Regulatory levies	11	9
Insurance	6	5
Other expenses	13	16
Total	309	310

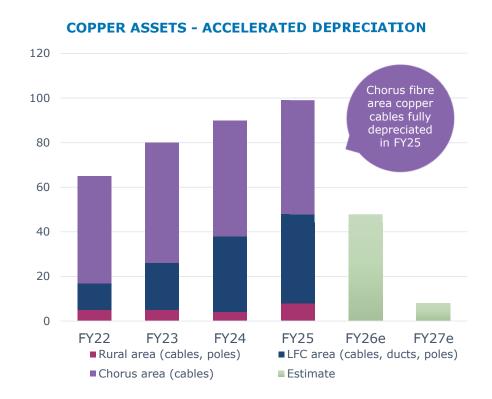
- 44% capitalisation rate (FY24:47%); \$5m change costs (FY24:\$2m)
- reducing copper fault volumes partly offset by increased fibrerelated costs
- decreased as legacy systems exited
- included \$4m of copper optimisation spend (FY24:\$4m)
- 5% reduction in usage offset by higher charges
- additional spend to support exploration of new revenue opportunities



Copper retirement expenses

- direct copper opex reduced to \$45m from \$54m in FY24
- copper optimisation spend to increase with completion of copper withdrawal in Chorus fibre areas
- significant step-down in copper depreciation in FY26 as accelerated copper depreciation rolls off

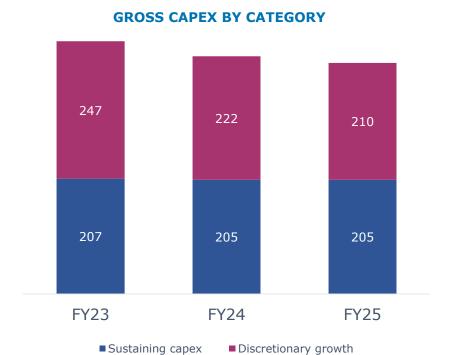
Direct copper opex	FY25 \$m	FY24 \$m
Network maintenance	20	27
IT	8	10
Other network costs	5	5
Electricity	12	12
Total	45	54



Capex

- gross capex reduced 3% to \$415m with reduced installation spend partly offset by increased spend on footprint expansion
- sustaining capex was steady year-on-year at \$205m

	FY25 \$m	FY24 \$m
Sustaining capex*	205	205
Discretionary growth capex	210	222
Gross capex	415	427
Less: Third-party contributions**	(40)	(55)
Net capex	375	372



^{*} Sustaining capex is investment to maintain, replace or improve an existing asset
** Third-party contributions included \$4m of government grants that were applied to the
balance sheet for specific projects. Other contributions were recognised as revenue

RAB and Non-RAB capex

- installation spend reduced by \$28m
- copper capex reduced by \$7m and includes \$8m of contribution-funded activity
- FY24 capex updated to reflect final allocations for 2024 Information Disclosure (ID). FY25 allocations unaudited and subject to 2025 ID

RAB capex	FY25 \$m	FY24 \$m
Extending the network – growth	88	58
Installations – growth	113	151
IT & Support – sustaining	61	59
Network capacity – sustaining	63	67
Network sustain & enhance - sustaining	44	32
Network sustain & enhance – growth	2	2
Gross RAB capex	371	369
Less Third-party contributions*	31	41
Net RAB capex	340	328

Non-RAB capex*	FY25 \$m	FY24 \$m
Copper - growth	1	2
Copper – sustaining	8	14
Other – growth	6	9
Other – sustaining**	29	33
Gross non-RAB capex	44	58
Less Third-party contributions*	9	14
Net non-RAB capex	35	44

^{*} 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: 4.52x net debt/EBITDA

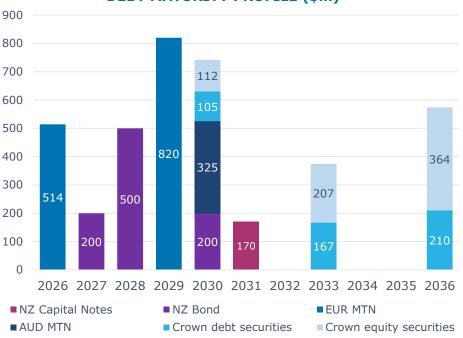
- prior periods ND/EBITDA: FY24 4.42x; HY25 4.54x
- current ratings agency thresholds: S&P 5.0x, Moody's 5.25x
- S&P has introduced new digital infrastructure rating criteria and Chorus is under criteria observation
- financial covenants require senior debt ratio to be no greater than 5.5x

As at 30 June 2025*	\$m
Borrowings	2,864
+ PV of CIP debt securities (senior)	242
+ Net leases payable	162
Sub total	3,268
- Cash	81
Total net debt	3,187
Net debt/EBITDA	4.52

^{*} Table based on unadjusted S&P methodology which treats capital notes as 50% equity

- Chorus issued \$170m of NZ capital notes to refinance Crown financing in June
- net borrowings were \$2,869m, up \$245m from \$2,624m (FY24), driven by \$170m capital notes issued in June 2025
 - long term bank facilities of \$450m (\$220m drawn)
 - ~70% of interest rate exposure fixed for 3 years

DEBT MATURITY PROFILE (\$m)



24

FY25 dividend and FY26 guidance

FY25 final dividend: 34.5cps, unimputed

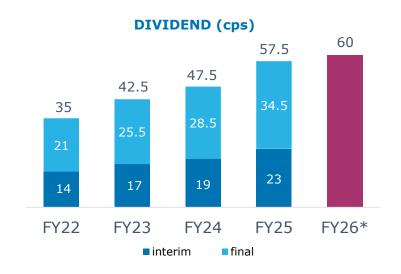
record date: 16 September 2025

payment date: 7 October 2025

Dividend Reinvestment Plan not available

FY26 dividend guidance*: 60cps

dividends remain unimputed in the near term



FY26 EBITDA \$710m to \$730m*

- includes copper recovery at similar level to FY25
- fibre price changes would apply from January 2026
- legacy revenues continue to decline

FY26 gross capex \$375m to \$415m

range reflects allowances for potential offnet installation initiatives and growth opportunities

FY26 sustaining capex \$195m to \$215m

Capital Management (\$m)	FY25 \$m	FY24 \$m	FY23 \$m
Net cash flows from operating activities	559	513	524
Less: Sustaining capex	205	205	207
Free cash flow for capital allocation	354	308	317

^{*}subject to no material adverse changes in circumstances or outlook

Transitioning to Horizon 2
Mark Aue, CEO



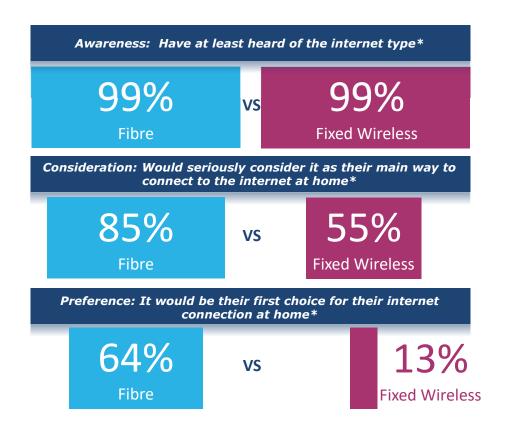




Tailwinds support our ambition

LEAD

- Market consultation underway on proposed fibre pricing changes (effective 1 January)
- Aspiration of 80% fibre uptake achievable
- FY26 focus on targeted in-market activity:
 - marketing to maintain awareness and build consideration of fibre's capability vs other broadband technology
 - initiatives in market to target underpenetrated segments and inactive fibre addresses
 - good engagement from bundlers as they seek increased fibre share
 - opportunities to assist MNOs with FWA high data user migration
 - digital equity trial ongoing: requires a joint telcogovernment approach



*Source: Consumer Monitor Survey, 6 months to July 2025

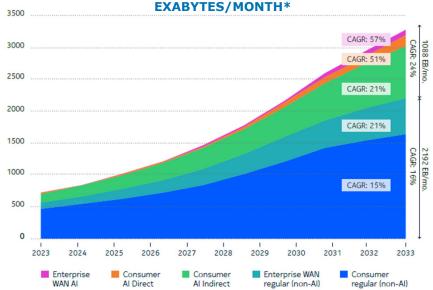


Fibre is AI-ready

The resilience, reliability and scalability of fibre makes Chorus an AI enabler

- Industry forecasts anticipate a significant step-up in AI driven data demand
- Nokia global network traffic report forecast: AI will generate 38% of global consumer broadband traffic by 2033

NOKIA: WAN AI TRAFFIC, GLOBAL, MODERATE SCENARIO EXABYTES/MONTH*



Venture Insights six key takeaways**:

- 1. The AI Revolution Reframes the Debate: . . . no longer "fibre vs. FWA, but "which infrastructure assets are best positioned to absorb an unpredictable, AI-driven demand shock?"
- 2. FWA's Value Proposition is Fragile: This position is vulnerable to the emergence of mainstream AI applications that will shatter the "good enough" performance threshold
- **3. Uncertainty as the Key Variable:** The timing and scale of AI's impact are unknown, but the direction is not. Infrastructure that offers maximum performance headroom and reliability makes fibre the premier long-term asset
- **4. Symmetry & Latency as Future KPIs:** AI applications, will make symmetrical bandwidth and ultra low, stable latency key fibre strengths the critical performance indicators
- **5.** Repercussions for Asset Positioning: Core of integrated telcos digital service ambitions will rely on fibre access
- **6. A New Lens for Valuation:** Investors should assess telecommunications assets based on their readiness for the AI era

Y25 RESULTS PRESENTATION 2015 TO THE PROPERTY OF THE PROPERTY

^{*}Source: Nokia Global Network Traffic Report 2023-2033

^{**}Source: Venture Insights: Fibre versus FWA in the AI age, July 2025



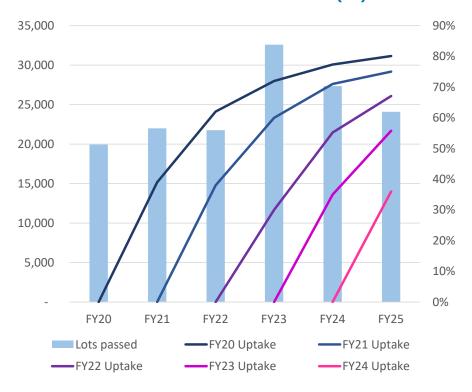


New property pipeline: 80% activated in 5 years

EXPAND

- New property development:
 - 80% of FY20 lots passed had activated in 5 years
 - ~55% of FY22 and FY23 lots passed activated in 2 years
 - ~23k lots contracted and in pipeline for build at 30 June to become fibre ready addresses
- Data infrastructure demand: continue to grow connectivity to smart locations, data centres, cellsites
- Horizon 2 goal: grow total infrastructure revenues to \$180m -\$200m+

LOTS PASSED vs FIBRE ACTIVATION RATE (%) OVER TIME







Pathway to regulatory simplification

ADAI I

Commerce Commission

- Copper services deregulation: positive Commerce Commission recommendation to Minister
- **Fibre services deregulation:** considering voice and backhaul services
- **Fibre input methodologies review:** focus on selected key topics, e.g. risk free rate setting, network expansion investment, capex approval process

 Note: no change to revenue cap as form of control

Ministry for Regulation

• Telco sector review:

- considering whether current regulation is fit for purpose in light of technology and market changes.
- Chorus is seeking removal of legacy interventions that are no longer fit for purpose e.g. Telecommunications Service Obligation, shareholder cap and other obsolete rules.

Note: no change to structural separation of retail and wholesale for fibre services





Optimising for an all-fibre future





Copper retirement

- notice period complete in Chorus areas by December; shutdown by mid-2026
- ~1,200 cabinets/sites to be powered down in FY26 to realise maintenance, electricity and emissions benefits
- expect copper shutdown in LFC areas by end of CY2026



Asset optimisation

- strategic review of asset options underway for multi-year programme aligned to copper exit timetable
- advancing work on alternative owners for high sites



Copper recovery

- ~160km of cable recycled in FY25
- in market to select extraction partner; programme to step up in CY2026 as urban shutdown completes
- expect net proceeds of \$30m-\$50m over ~3-7 years, subject to market prices, extraction costs etc.



Rural network expansion

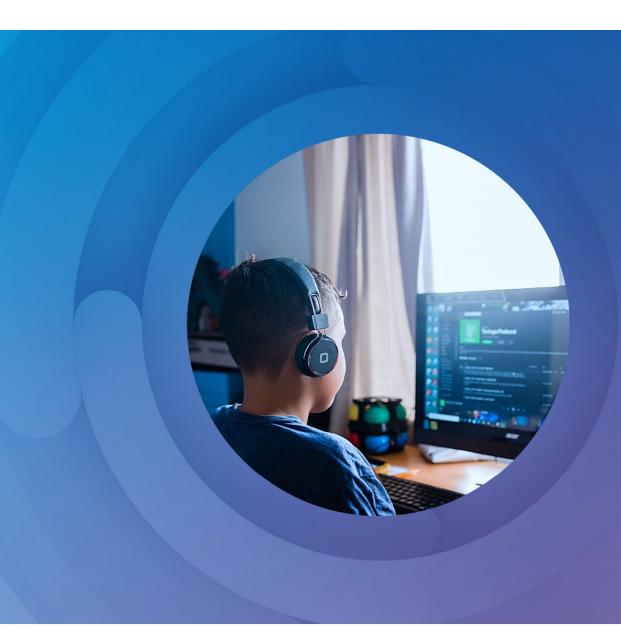
- Chorus proposed extension of fibre to 95% of population with expected \$17bn economic benefits vs <\$3bn cost
- endorsed by Infrastructure Commission as offering significant opportunity, but independent of funding
- co-ordinated government rural connectivity strategy needed; Ministry for Regulation review of legacy settings could help encourage further investment

Simpler, more efficient, more competitive



- Chorus' business remains resilient, ongoing economic headwinds expected in H1
- Adaptive organisation embedded (Horizon 1); now focused on growth, simplicity & efficiency (Horizon 2)
- Embracing our market challenger posture as we strive for 80% fibre uptake by 2030
- Innovation is a key differentiator in Fibre's superiority; AI will only exacerbate this
- Copper retirement achievable; emerging pathways have potential for favourable regulatory shifts
- An investment in digital infrastructure is for today and future generations

Appendices



Appendix A: Pricing data

PRICING CONSULTATION

Product / Service	Current Price	Proposed Price
New Low Speed Plan	n/a	\$28.00 (Retail price cap \$55)
Home Fibre Starter (100/20Mbps)	\$38.00 (Retail price cap \$65)	\$40.50 (Retail price cap \$70)
Home Fibre 100Mbps	\$53.96	\$57.52
Home Fibre 500Mbps	\$56.28	\$58.73
Home Fibre 920Mbps	\$66.19	\$69.50
Home Hyperfibre 2000Mbps	\$74.90	\$76.90
Home Hyperfibre 4000Mbps	\$90.95	\$93.38

evas results presentation

Appendix A: Market data

CONNECTIONS

	31 March 2024	30 June 2024	30 Sept 2024	31 Dec 2024	31 March 2025	30 June 2025
Baseband copper (no broadband)	51,000	45,000	40,000	34,000	29,000	24,000
Copper ADSL (includes naked)	62,000	56,000	49,000	44,000	39,000	34,000
VDSL (includes naked)	62,000	55,000	49,000	44,000	39,000	34,000
Data services (copper)	1,000	1,000	1,000	1,000	NM	NM
Fibre broadband (GPON)	1,064,000	1,074,000	1,083,000	1,089,000	1,098,000	1,106,000
Fibre premium (P2P)	10,000	10,000	9,000	9,000	9,000	9,000
Total connections*	1,250,000	1,241,000	1,231,000	1,221,000	1,214,000	1,207,000

Copper connections declined 65k in FY25 and total 92k

Fibre connections grew 31k in FY25 and total 1,115k

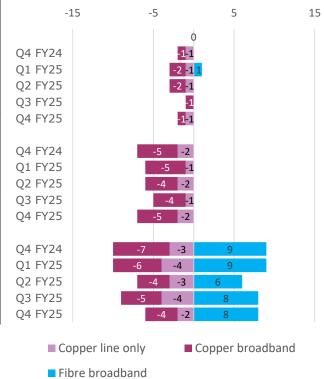
^{*}includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households Note: numbers are rounded

Appendix A: Connections by Zone

CONNECTION CHANGES BY ZONE*

Other fibre	Copper lines (no broadband)	5,000	Copper connections are declining	
company (LFC) zone	Copper broadband lines	6,000	as Chorus retires its copper network and customers migrate	
	Fibre broadband lines (GPON)	4,000	to Local Fibre Company and fixed wireless networks.	
	TOTAL	15,000		
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	12,000	Ongoing decline in copper	
	Copper broadband lines	56,000	connections as customers migra to alternative mobile/fixed	
	TOTAL	68,000	wireless/satellite networks.	
Chorus fibre zone	Copper lines (no broadband)	7,000	Covers all addresses outside of	
	Copper broadband lines	6,000	LFC UFB rollout zone where Chorus fibre is available. Fibre	
	Fibre broadband lines (GPON)	1,099,000	footprint is growing as a result o network expansion and new property development. Copper	
	TOTAL	1,112,000	connections are reducing as Chorus retires its copper network.	

QUARTERLY CHANGE ('000s) BY ZONE



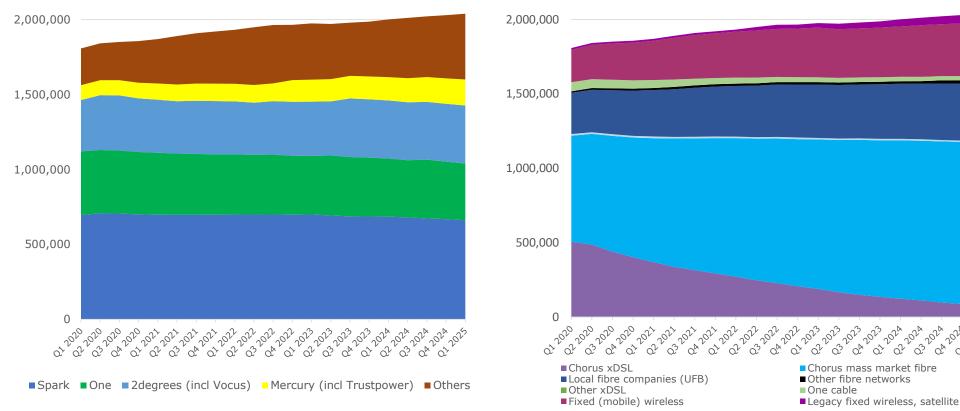
^{*} Indicative as at 30 June, excludes ~12k fibre premium and smart location connections

Appendix A: Market Composition

NZ BROADBAND MARKET – BY RETAILER

INZ DROADDAND PIARREI - DI RETAILER

NZ BROADBAND MARKET – BY TECHNOLOGY



Source: IDC

Appendix B: Additional financial information

INTEREST RATE HEDGES

Bond	Amount NZ\$m	Current hedge profile
EMTN 2026	514	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. \sim 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
NZD 2056	170	~90% fixed at 5.93% until first call in June 2031

CROWN FINANCING SUMMARY

Crown securities \$m	30 June 2030	30 June 2033	30 June 2036	TOTAL
Equity securities (cumulative total)	197.0	404.0	768.5	768.5
Debt securities (maturity profile)	104.7	166.7	210.2	566.9

Crown equity securities

- unique class of security with no voting rights but a repayment preference on liquidation
- 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)

Crown debt securities

- unsecured, non-interest bearing and carry no voting rights
- to be redeemed in tranches from 30 June 2025 to 2036 by repaying the issue price to the holder



38

Appendix B: Capital management principles & policy

A DIGITAL INFRASTRUCTURE BUSINESS MAXIMISING LONG-TERM VALUE AND RETURNS

Dividend policy: pay an ordinary dividend of 70% to 90% (on average, over time) of net cash flow from operating activities <u>less</u> sustaining capital expenditure

Net cash flow from operating activities

Less sustaining capital expenditure

= Free cash flow for capital allocation

Less ordinary divided (70% to 90% of free cash flow for capital allocation)

= Surplus free cash flow for allocation

Share buy backs

Additional dividends

Discretionary growth capex

Capital allocation underpinned by free cash flow from an essential regulated infrastructure asset

Use balance sheet
to fund
discretionary
growth capex - up
to 4.75x
ND/EBITDA

Deliver a sustainable growing dividend, at least in real terms

Discretionary growth capex must deliver greater value than returning funds to shareholders

Appendix C: RAB movement: 2024 regulatory year

Component	Core RAB \$m (nominal)	Financial Loss Asset (FLA) \$m (nominal)	Notes
Opening RAB (1 January 2024)	4,791	1,142	The closing RAB at 31 Dec 2023 included a <i>forecast</i> asset allocator adjustment. The opening RAB at 1 Jan 2024 is \$20m higher due to updates for <i>actual</i> asset allocators.
less Depreciation	(333)	(175)	FLA depreciation is diminishing value and the core RAB is straight- line. Assets start depreciating the regulatory year after commissioning.
plus Revaluations	106	25	2.22% actual inflation in the December quarter versus forecast 2.13% used in the final decision for 2024 MAR.
plus Assets commissioned	306	0	Amount is net of \$35m capital contributions
plus Adjustment resulting from asset allocation	41	0	An upwards adjustment reflects a greater proportion of shared assets being attributable to fibre (due to differences in allocations drivers such as revenues and connections) than was forecast for the opening RAB in 2024.
Total closing RAB value (31 Dec 2024)	4,911	992	-



Appendix C: MAR wash-up: 2024 regulatory year

Description	Wash-up \$m (nominal)	Revenue \$m (nominal)	Notes
2024 maximum allowable revenue		808.7	PQP1 decision updated in 2023 for pass through costs and CPI forecasts.
Less 2024 FFLAS revenue received		(807.8)	
2024 MAR under-earn		0.9	-
CPI on the price path for 2024	16		Actual CPI of 2.92% (since 2023 update) via in-period smoothing.
Cost allocators	18.4		Previously forecast cost inputs (e.g. totex, connections and data traffic) updated for actuals in the period.
Initial RAB true-up	9.7		\ensuremath{MAR} adjustment to reflect increased allocation of shared assets in the final RAB decision.
Connection capex	1.9		Commission requires connection capex to be included in the final year PQP2 wash-up calculation for the three years.
Individual capex proposal for 2023	1.0		Commission approved individual capex proposal for customer incentives for 2023.
Crown financing benefit	0.2		Reflects lower Crown financing balance than forecast.
Pass through costs under-forecast	0.2		Actual pass-through costs of \$16.1m versus forecast \$15.9m.
	47.4	47.4	-
2024 wash-up balance		48.3	-
2023 wash-up balance: smoothed 2022 wash-up balance: smoothed		53.8 51.4	The 2022 and 2023 wash-up balances were adjusted as part of the in-period smoothing process plus connection capex.
TOTAL PQP1 wash-up carried forward		153.5	The wash-up balance is rolled forward each year using the post-tax WACC as the time-value of money to preserve NPV neutrality.



Appendix C: Regulatory revenue building blocks

Final building blocks revenue components (\$m, nominal)	2025	2026	2027	2028
Total return on capital	255.1	270.4	269.4	266.1
Return on assets (RAB x WACC), Core fibre assets	384.6	396.6	404.3	408.5
Return on assets (RAB x WACC), Financial loss assets	74.0	63.8	54.6	46.2
Revaluations	(127.1)	(116.7)	(116.1)	(115.3)
Ex-ante stranding allowance	6.0	6.0	6.0	5.9
Benefit of Crown finance	(84.9)	(81.9)	(81.8)	(81.7)
TCSD allowance	2.5	2.5	2.5	2.4
Opex allowance	197.0	203.6	208.0	210.9
Total depreciation	452.8	447.3	450.8	439.4
Core fibre assets	299.4	310.0	327.5	328.3
Financial loss assets	153.4	137.2	123.3	111.1
Tax allowance	0.0	0.0	28.3	101.6
In-period smoothing	(13.3)	11.6	13.5	(11.4)
Total building blocks revenue	891.5	932.8	970.2	1,006.6
Pass-through costs	19.6	20.2	20.8	21.4
Wash-up amount (smoothed)	45.8	47.9	49.8	51.7
TOTAL	956.9	1,001.0	1,040.8	1,079.7