

STOCK EXCHANGE ANNOUNCEMENT

27 October 2021

Chorus' annual shareholders' meeting

The attached prepared presentations will be delivered at Chorus' annual shareholders' meeting to be held as a virtual meeting at 12.00pm today:

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

The annual meeting can 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 27 October 2021

Chair's Address

Good afternoon and welcome to Chorus' 2021 Annual Shareholders Meeting. I'm Patrick Strange, Chorus' chair. The Chorus Board thank you for making the effort to join us online today.

We have a quorum so I declare the meeting open.

Last year we held our first online annual meeting and hoped that we'd be back to an in-person meeting this year. Unfortunately, COVID has forced us to run the meeting virtually again.

While this means we can't mix with shareholders in person, today's online proceedings again showcase the critical role our broadband network has played in supporting New Zealand's economic and social activity through the recent lockdowns.

Today we're using Computershare's online meetings platform to enable you to watch the live webcast and access the various meeting documents. Shareholders and proxies can ask questions and submit votes online.

To submit a question during the meeting, simply select the Q&A tab on the right half of your screen, type your question into the field and press submit. While questions can be submitted from now on, we won't address them until the relevant time later in the meeting.

Please also note that your questions may be moderated or, if we receive multiple questions on one topic, amalgamated.

Voting will be conducted by way of a poll on all items of business. If you are eligible to vote, you will shortly be able to cast your vote under the Vote tab. Your vote has been cast when the tick appears against the available options. You can change your vote up until the time I declare voting closed. Simply select 'Change your vote' to do so.

I now declare voting open on all items of business. I will give you a warning before I move to close voting near the end of the meeting.

If you need assistance at any time, simply type your query into the question field, via the Q&A tab, and someone from Computershare will respond. Or you can call Computershare on 0800 650 034.

The agenda for today is a short address from me, followed by chief executive JB Rousselot. We'll then move to resolutions, questions and voting.

JB is joined today by key executives including David Collins our Chief Financial Officer and Elaine Campbell our Chief Corporate Officer & General Counsel.

My fellow directors are of course also online with us. Sue Bailey is joining us from Australia and from closer to home we have:

- Mark Cross
- Prue Flacks
- Murray Jordan
- Kate Jorgensen, and
- Jack Matthews.

Miriam Dean is also with us. Miriam has been nominated to stand for election today as an independent non-executive director. She is unanimously recommended to you by the Board and brings extensive experience in competition, consumer and regulatory law that will complement and strengthen the Board's skillset. You'll hear more from Miriam shortly.

Murray Jordan and I are standing for re-election today in accordance with the NZX listing rules.

As Prue indicated at last year's meeting, she has decided now is the right time to leave the Board. She is a founding director and has made a huge contribution to Chorus as we navigated some challenging regulatory issues over the years and successfully rolled out the fibre network. We thank her for her hard work, insights and valuable contribution to Chorus over the last decade.

Several months ago I wrote to shareholders about Chorus' performance in FY21 and our outlook for the year ahead. At the time I talked about the unrelenting growth in data demand as an underlying trend supporting our business.

As it turns out, the recent lockdown has elevated New Zealand's reliance on broadband to another level again. Imagine what lockdown would have been like without the unconstrained data and reliability of fibre and fast VDSL. Seamless Zoom meetings with multiple participants wouldn't have been feasible a decade ago. For most of the time, you would have been on voice telephone conferences: the ease with which we have transitioned to working from home would simply have been impossible.

And streaming entertainment and games would have been impossible at the scale we are now doing it. Rather than being limited to a single TV screen and channel, New Zealanders stuck at home have been able to choose from a world of different content across multiple different screens.

The essential nature of the internet today is reflected in our network statistics. Fibre users averaged 621 gigabytes in September. That's a huge leap from 500 gigabytes in June. An hour of high definition streaming uses about 3 gigabytes.

In the first six weeks of the recent COVID lockdown Chorus' network carried more than an exabyte of data. That's 1 billion gigabytes and is more data than we carried in all of 2015 – the first year that Netflix arrived in New Zealand.

Clearly, consumers are getting more and more value from our network as data demand grows. And in December we're offering to triple the speed used by about 70% of our fibre customers, from 100 to 300 megabits per second, with no increase in price!

There are alternatives to fibre. The major retailers offer Fixed Wireless in some areas. It is a product with a place. However, unlike fibre, the speed will degrade as more customers use it, as in the late afternoon or early evening. How did it perform through COVID? I don't know, because unlike fibre, the vendors don't need to reveal its performance. The best idea we will get is from Sam Knows - a sampling programme sponsored by the Commerce Commission - which reports about three months after the fact.

Worse, we've recently seen fixed wireless services promoted as 'speeds up to 750 megabits' - it would be much more useful if they said 'speeds down to' as it will probably be slowest when you most need it. This is why we're very supportive of the Commerce Commission's initiative to bring more transparency to product disclosures for different broadband technologies.

Consumers should be fully informed about the characteristics of the product they're paying for and have time to consider their options, rather than being steered onto a lower quality option that suits the financial objectives of their service provider.

We're also working closely with the Commerce Commission in finalising the requirements and outcomes of the new regulatory framework for fibre. The new regime comes into effect from January 2022.

The Commission is yet to make final decisions on the starting value of our regulated asset base and on our allowable revenues and expenditure for the next three years. Those decisions will have a major bearing on our approach to further discretionary investment in fibre.

Regulatory outcomes in the past year have been a poor advertisement for investment in future public-private partnerships. That is direct feedback we receive from international and local investors and it has been reflected in our share price performance this calendar year. We remain hopeful that the Commission's final decisions will better reflect our commercial reality.

The new regulatory settings for fibre have also put a renewed spotlight on the digital divide for the 13% of New Zealanders outside the planned fibre footprint. We're conscious that other countries already have taken, or plan to take, fibre even further than New Zealand. At this time the regulated return that has been set for fibre, the treatment of government financing and the requirement that we charge urban prices across both our fibre and copper networks, make it uneconomic for us to take fibre further.

New satellite services and government funded fixed wireless towers are helping close the gap in a piecemeal fashion, but something's out of whack in policy settings when other networks can deliver new rural services at different, higher prices when we cannot. Because we must sell services to remote customers at exactly the same price as apartments next door to our biggest exchange in Auckland, we would lose money on every one.

And it is not just about fibre. Our obligations to be a national copper service provider at urban prices are looking increasingly out of date in a world where we have about 400,000 less customers than a decade ago. As migration to our own fibre and other alternative networks continues, our remaining copper network costs will need to be borne by a smaller and increasingly rural customer base. Clearly, this regime is in urgent need of change and our focus will increasingly turn to that.

Despite the tilted playing field, we had an extremely strong operational year, with fibre uptake growing from 60% to 65%. That was helped in large part by our managed migration programme which generated about 30,000 connections. So customers are recognising the general superiority of fibre.

As always, we're pleased to see customer satisfaction continuing to lift as a result of our work on process improvements. Our focus on customer outcomes is unwavering and we're introducing a new fault restoration performance measure to reflect our organisational shift from building to operating the fibre network.

Employee engagement remains strong at 8.5 out of ten, despite the ongoing reduction in employee numbers as the fibre rollout comes to an end. We appreciate the resilience and professionalism of Chorus employees through these changes.

Their efforts through the year helped us just achieve our goal of a modest increase in EBITDA, up \$1 million to \$649 million. Very modest. Revenue was down \$12 million due to COVID-19's ongoing effects on the broadband market and competition from alternative networks. However, JB and his team kept a tight rein on costs and unlike FY20 there were no significant COVID related costs. Net profit was down slightly at \$47 million.

These results meant we were able to deliver on our guidance of 25 cents per share for the year. We've provided initial guidance of 26 cents for FY22 in the absence of certainty on the final regulatory settings due this side of Christmas. We expect to provide an update on dividend outlook in February once the uncertainty is removed. We anticipate that only the interim dividend in FY22 will be fully imputed because of our diminishing imputation credit balance.

ENDS

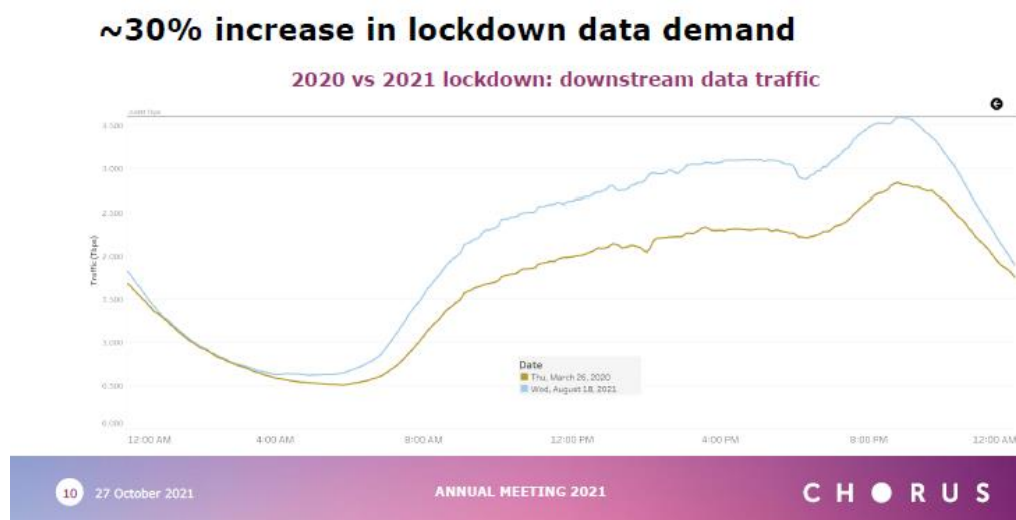
Chorus Annual Meeting 27 October 2021

CEO's Address

Tena koutou katoa.

Thank you, Patrick, and good afternoon everyone and let me extend my welcome to this Annual Shareholders Meeting.

NETWORK CAPACITY BETWEEN LOCKDOWNS

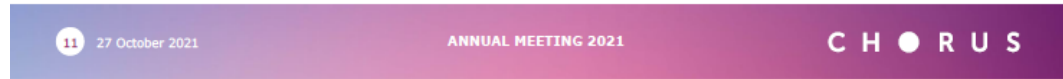


At last year's shareholder meeting, we talked about how COVID had turned the world on its head; sadly, 12 months on and it is still having a big impact. New Zealand's most recent COVID response has again demonstrated the value of our fibre network and how critical reliable high-speed broadband has become in all our lives.

In his address, Patrick spoke to the unrelenting growth in data demand, but I'll add to his commentary.

This slide compares the traffic volumes on the first day of national lock down for March last year and for August this year. It shows that we've seen a near 30 per cent increase in peak-time traffic across the network in a little over a year. That's phenomenal growth by any

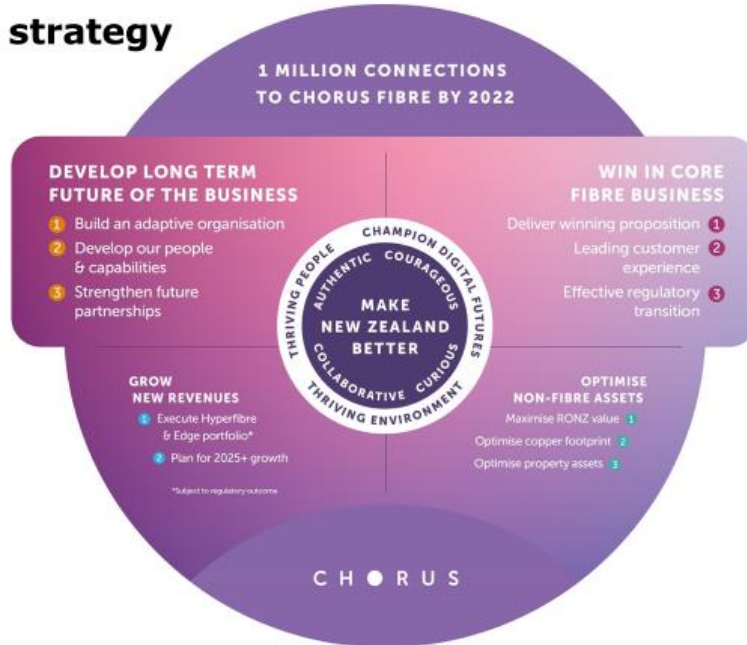
SURGE IN UPSTREAM DATA DEMAND



Our nation's COVID response has not only brought forward the need for uncongested network capacity; it has also created trends that are unlikely to revert, even when we return to a less disrupted future. New ways of remotely working, learning, and entertaining are now embedding as the new norm. For our part, we remain committed to ensuring our fixed networks can support Kiwis in whatever they wish to do online.

This includes continuing to work with the Ministry of Education to support about 10,000 broadband connections for students.

FY22 strategy



Our strategy remains largely the same. It remains anchored around four pillars: winning in our core fibre business, optimising our non-fibre assets, growing new revenues and developing the long-term future of our business. And in the short term it puts a high priority on the top two pillars.

The December upgrade of our most popular 100/20 megabits per second plan that Patrick mentioned is an excellent example for the first of these. Not only are we tripling the download speed of the plan at no wholesale cost increase, but we're also increasing the upload speed five-fold to 100 megabits per second. This upload performance improvement recognises that the fibre connections we need today must perform well in both directions to allow us to all work, learn and entertain at home.

This big fibre boost is expected to catapult New Zealand up the world's broadband ranking, with projections showing we are expected to move well into the top ten for fastest broadband in the world by early 2022.

It is great to see some broadband retailers have confirmed that they will pass on the performance increase at no cost to their customers. We know and appreciate that others are working on what they will do to accommodate the change in their networks.

Undoubtedly, we have plenty of work to do to achieve our target of one million Chorus fibre connections by the end of 2022. However, I'm delighted to tell you that we passed the 900,000 fibre connections mark just last week. Even with the disruption of the latest lockdowns, we remain on track to achieve this ambitious goal.

BROADBAND UPTAKE

On track for 1 million fibre connections

Just achieved 900,000 fibre connections (mass market and premium)

- fibre uptake in UFB areas at 66%
- 23,000 connections added in July-Sept quarter despite restrictions of COVID alert levels
- fibre connection activity now back to pre-lockdown levels
- strong demand for 1Gbps plans: now 20% of mass market connections
- new RSP fibre offers and new market entrants (e.g. SKY TV) expected to continue to drive broadband growth
- Chorus market incentives and managed migration programme helps underpin this vibrant retail market



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Demand for fibre remains strong.

Uptake in our UFB build areas is now at 66 per cent, and fibre makes up 67 per cent of Chorus' connections.

Our recent quarterly connection numbers reflect the degree to which broadband has become an essential utility.

In the first quarter of this financial year, the number of fibre connections on our network increased by 23,000 to 894,000. This growth shows strong performance despite the impact of alert level 4 and then 3 in significant parts of New Zealand.

In recent weeks especially, we've seen broadband connection growth recover, with the Auckland area clearly remaining impacted.

Chorus' one-gigabit plan remains our fastest-growing connection, and the plan now makes up 20 per cent of mass-market connections.

Hyperfibre, the next generation of fibre broadband with symmetric speeds of two, four and eight gigabits per second, has also seen a lift in demand. Surprisingly this demand is not just from business, with many early-adopter consumers leading the way to multi-gigabit services in the home.

Chorus offers wholesale fibre services to more than 90 retailers across New Zealand and a recent shift in the broadband market is encouraging.

We're seeing our larger retailers now sharpening their fixed broadband offerings to compete with smaller, more agile competitors. With deals that now include incentives like six months of free broadband, there has never been a better time for consumers to shop around for a broadband plan to suit their needs.

Patrick has already talked about the transition to the new fibre regulatory regime. I will just touch briefly on one aspect of this.

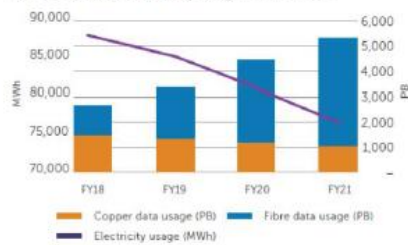
For several years Chorus has offered incentives to retailers to promote fibre. These offers have been critical in helping create the competitive market for fibre that we have today.

We believe these incentives, which are offered equally to all retailers, should not be subject to a drawn-out regulatory approval process as is currently proposed. And we're not alone in this view; many of our retail customers support us on this, recognising their need for early certainty around these incentives so they can plan their offerings and campaigns.

SUSTAINABILITY

Fibre enables sustainability

Data vs Network Electricity Usage FY18 – FY21



- transition to fibre expected to reduce electricity consumption 30-40%
- target: 80% carbon emissions reduction (scope 1 & 2) from FY12 level by 2030

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This year we published our first sustainability report.

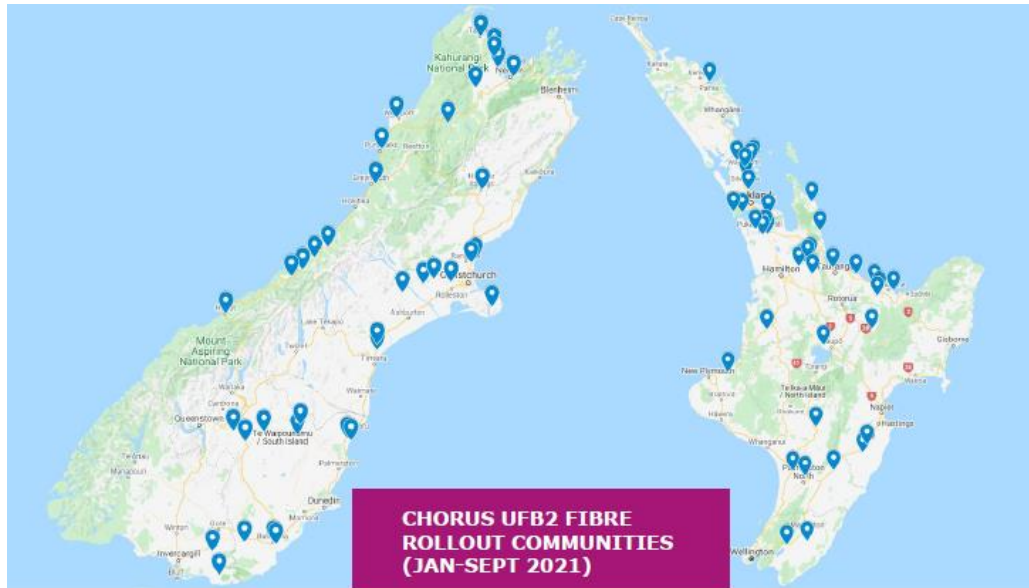
The report emphasises some of the things we are doing and enabling as part of our goal to make New Zealand better. Our sustainability strategy is articulated around three pillars: championing digital futures, thriving people and a thriving environment.

The fibre network that we've built is highly reliable and energy-efficient. As more customers migrate to fibre for their broadband, our electricity consumption reduces. This reduction in consumption improves further as we begin switching off the copper network where it is no longer needed.

International research shows that passive fibre networks result in significantly lower rates of carbon emissions than other broadband technologies. Not only that, but by enabling other activities to go digital, the network is contributing to New Zealand's overall carbon footprint reduction by enabling more remote working, learning and entertaining.

For example, a recent Infrastructure Commission report notes that district health boards saw telehealth consultations grow 100-fold to more than 34,000 a week during COVID-19 lockdowns.

UFB2 & END OF BUILD



By the end of next year, Chorus' eleven-year fibre build programme will come to an end. There are now less than 50,000 homes and businesses remaining to pass with fibre.

Once complete, fibre will be available to 87 per cent of the population, from our largest centres to many of our smaller towns and communities. This slide highlights the geographic scale and breadth of the communities we've connected in the last 10 months alone.

Haast on South Island's West Coast is a great case study. It is remote and has just a few hundred residents, but it is now more connected to the world than ever before. Gigabit fibre is available there after a partnership with the Government to take fibre further.

This West Coast fibre project will build about 300 kilometres of fibre from Fox Glacier to Lake Hawea and Te Anau to Milford. The project will complete in March next year, and in addition to lighting up gigabit communities on its path, it will also provide enhanced network redundancy for the lower South Island.

THE WORLD'S BEST BROADBAND



The world's best broadband is only getting better

- 900,000 connections on fibre
- 140,000 more consumers can switch fibre on today
- and another 270,000 with fibre at their gate
- fibre products continue to evolve...8Gbps.....25Gbps
- Wi-Fi 6E will help consumers make even more of fibre

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In conclusion, our priority is to keep focusing on maintaining the gigabit advantage that New Zealand has developed in the last decade.

While we now have passed 900,000 fibre connections, there are still 140,000 who could switch to fibre today and another 270,000 where fibre is just an order away.

Continued growth in everything digital and in data traffic continues to fuel a need for faster, more reliable, more environmentally friendly, and effective technologies.

Like many other telcos around the world we believe that fibre is the best technology to meet them.

With the Commerce Commission's focus on transparent and equivalent product performance information, we believe that Kiwis will soon have the information that will allow them to take control and make educated choices about what technology is best for their homes and businesses.

And, assuming reasonable regulatory settings we will be in a great position to continue to play a significant role in this next stage of the journey of Aotearoa New Zealand to a more digital future.

ENDS

Annual meeting

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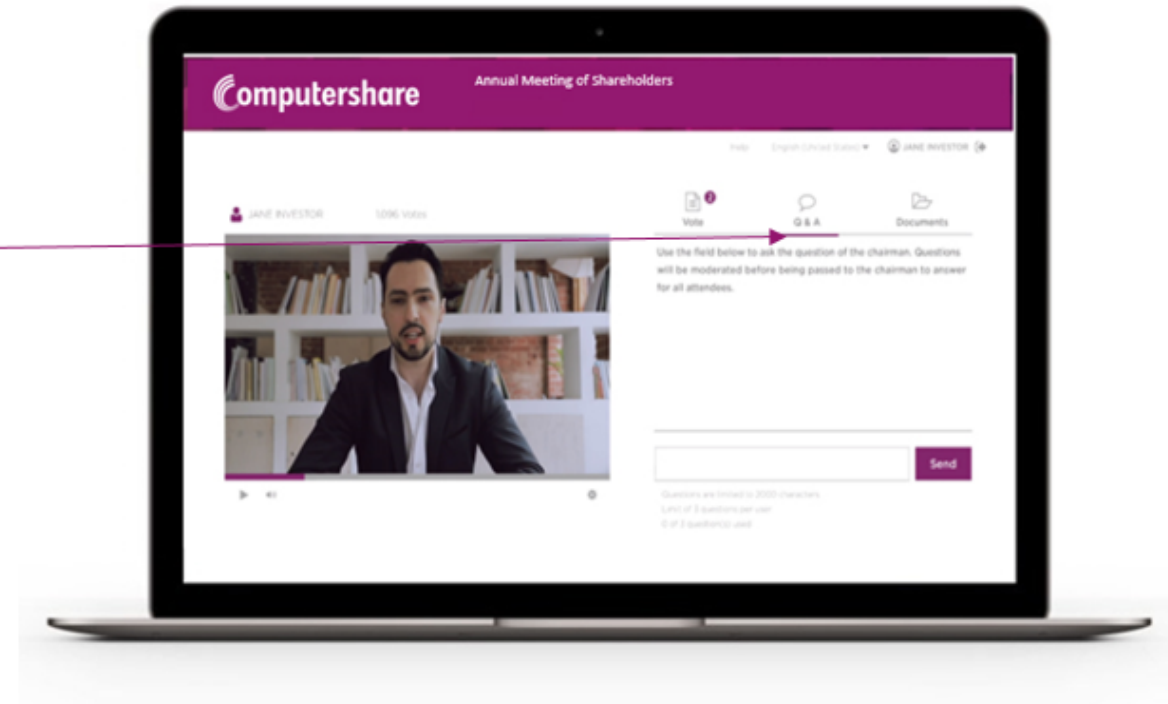
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How to Participate in Virtual/Hybrid Meetings (Q&A)

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.

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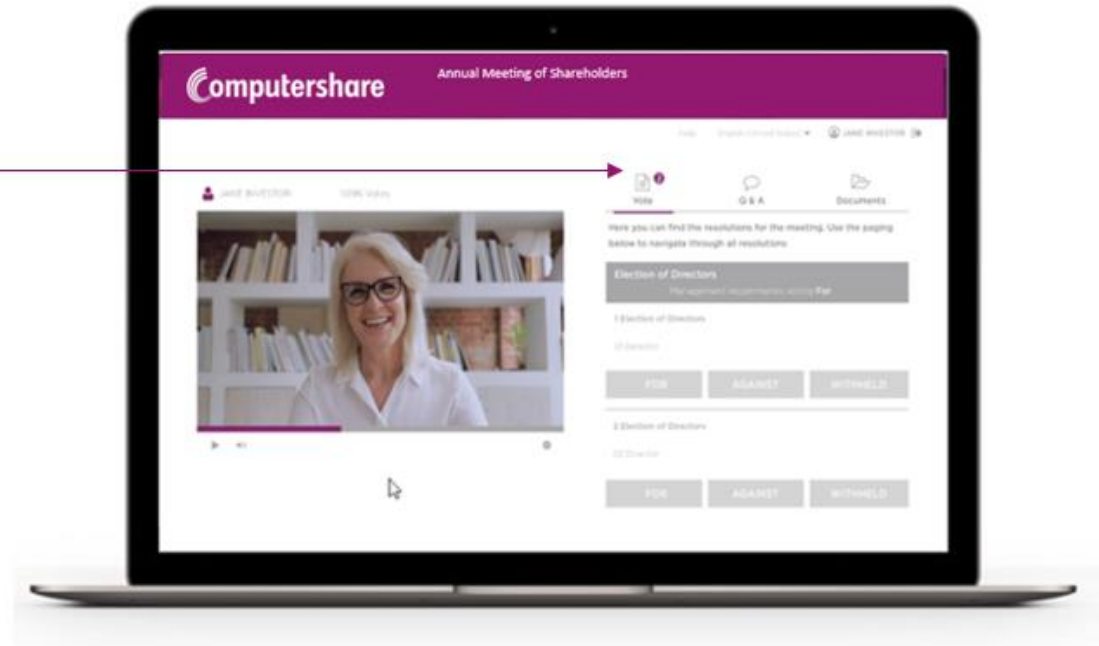
How to Participate in Virtual/Hybrid Meetings (Voting)

Shareholder & Proxyholder Voting

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

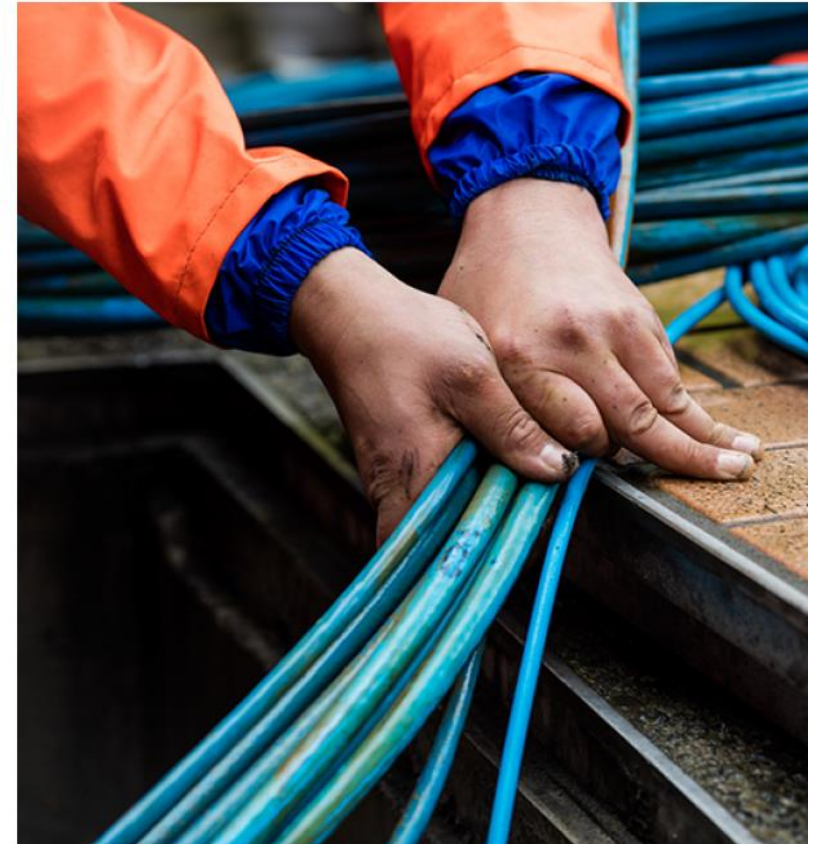
To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

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



Agenda

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



Your Board



Patrick Strange
Chair



Sue Bailey



Mark Cross



Prue Flacks



Murray Jordan



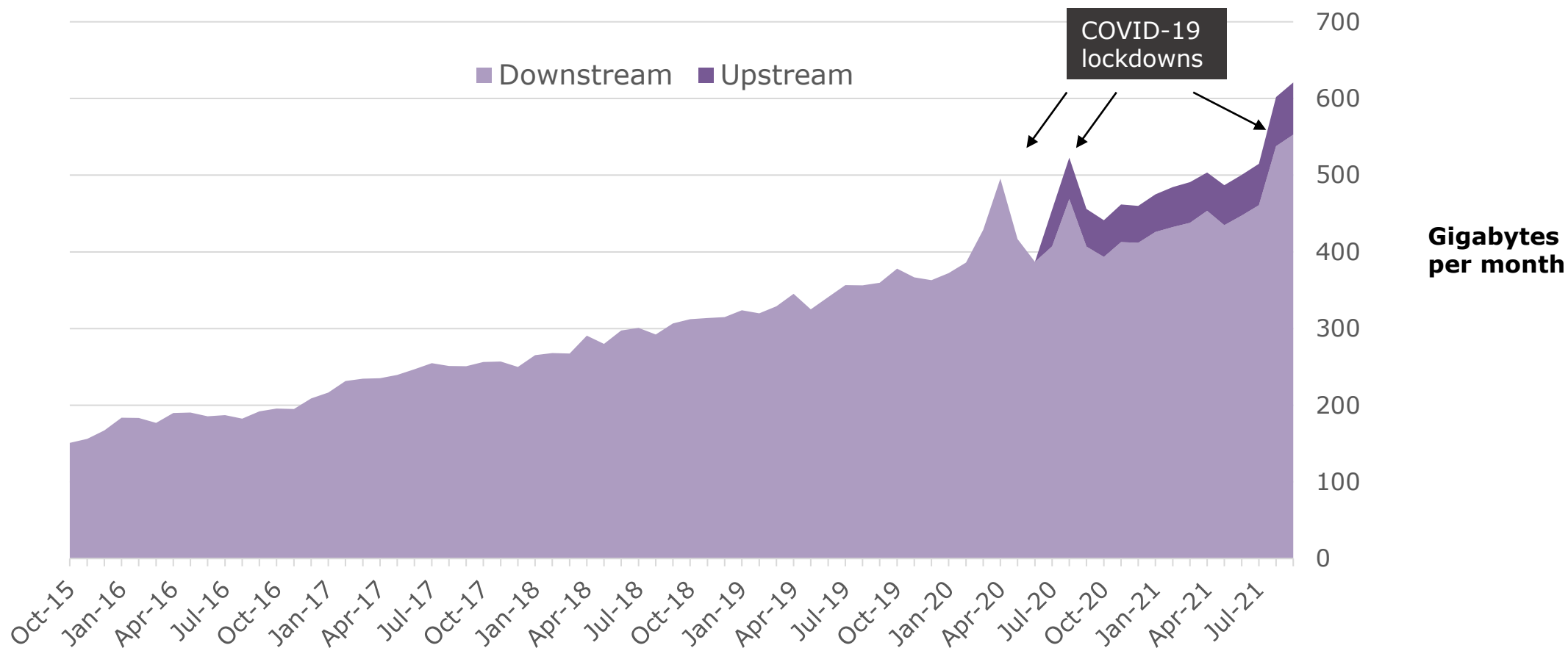
Kate Jorgensen



Jack Matthews

The data demand tide keeps rising

Average monthly usage per connection on our fibre network



Note: upstream traffic only shown from June 2020 onwards following COVID-19 effects on daytime usage trends

Will consumers realise fibre's full potential?



Regulatory outcomes should incentivise investment

> **Fibre consumers will benefit from ongoing investment if the Commission's final determinations provide for:**

- a smooth transition into the new regime that drives Chorus to add more connections at higher speeds
- sufficient opex and capex to let Chorus meet the demands of consumers and retailers
- the ability to continue our active wholesaler strategy
- recognition of the full cost of building our UFB network and a fair return on the public-private partnership investment made to build it over the last decade

This should be underpinned by retail regulation that provides stronger consumer protections and better information about broadband technologies.

FY21 results overview

Fibre connections¹

FY21
871,000

FY20
751,000

Broadband connections¹

FY21
1,180,000

FY20
1,206,000

Fixed line connections¹

FY21
1,340,000

FY20
1,415,000

EBITDA²

FY21
\$649m

FY20
\$648m

Net profit after tax

FY21
\$47m

FY20
\$52m

Dividend

FY21
25cps

FY20
24cps

1. Excludes partly subsidised education connections provided as part of Chorus' COVID-19 response.

2. Earnings before interest, income tax, depreciation and amortisation (EBITDA) is a non-GAAP profit measure. We monitor this as a key performance indicator and we believe it assists investors in assessing the performance of the core operations of our business.

CEO Address

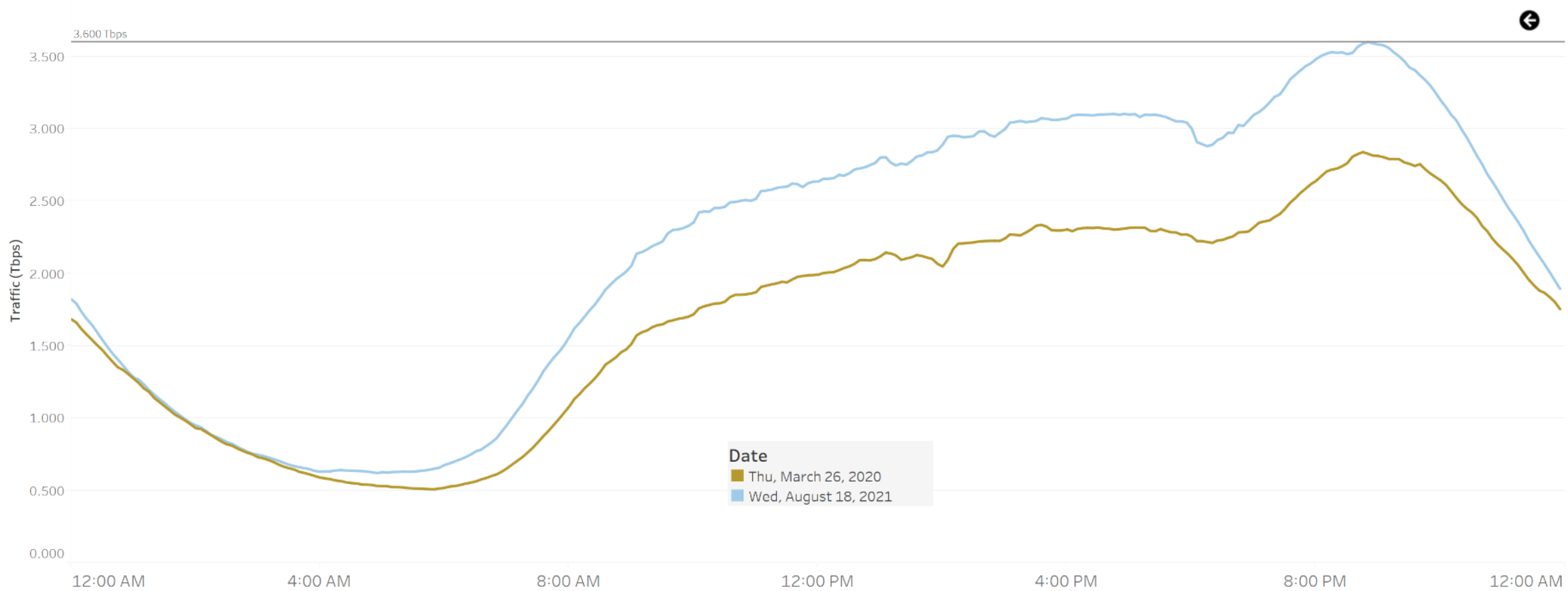
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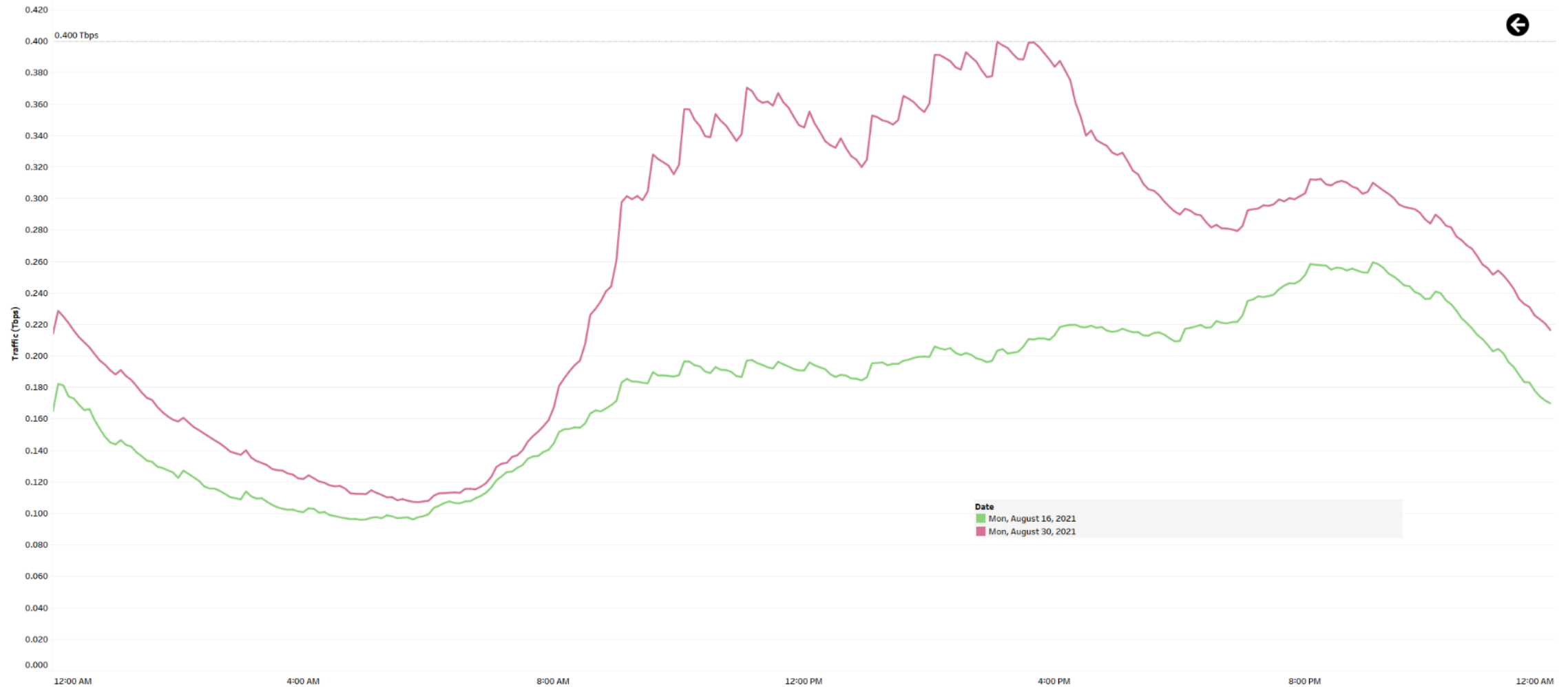
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~30% increase in lockdown data demand

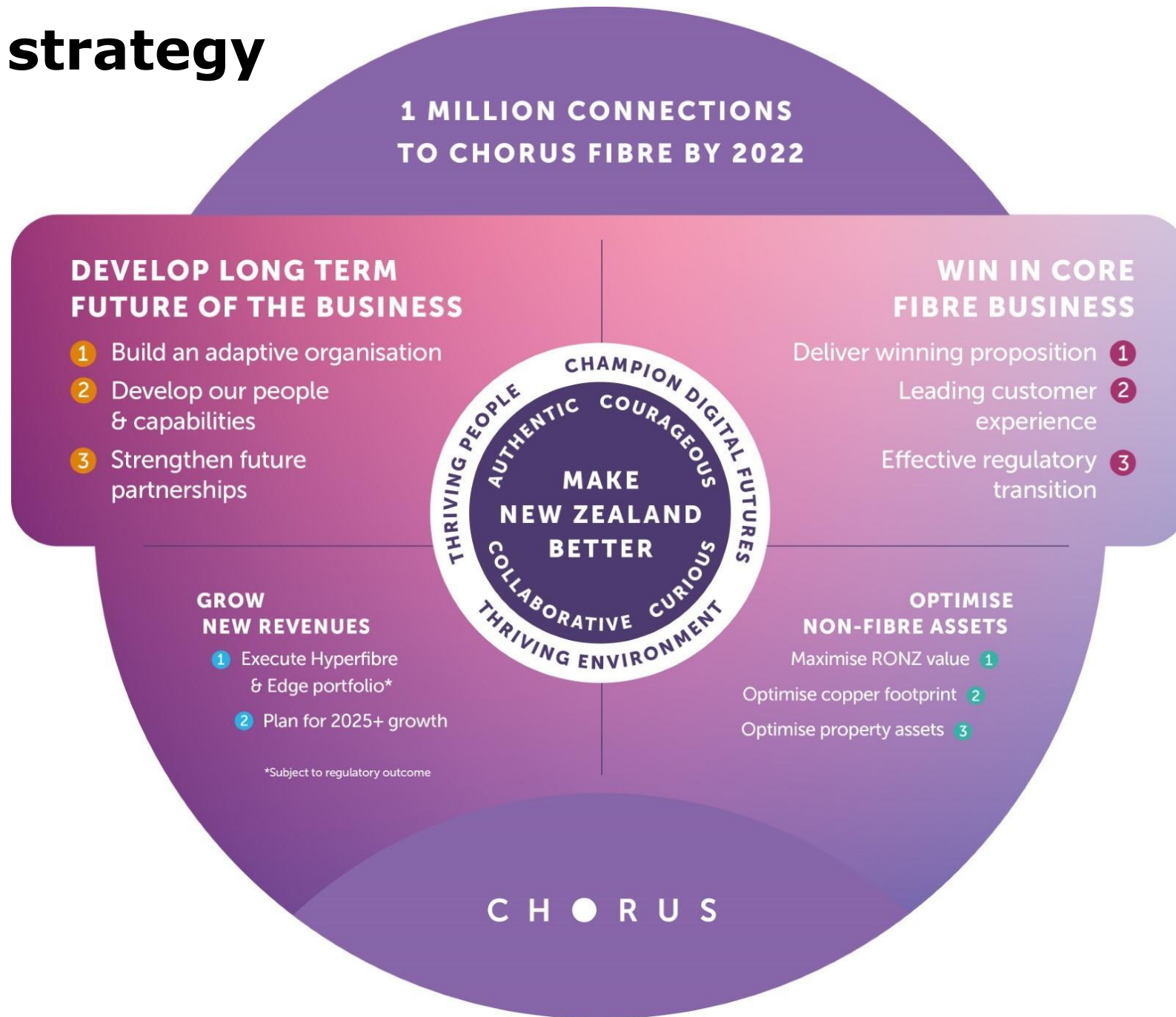
2020 vs 2021 lockdown: downstream data traffic



Surge in upstream data demand: pre vs post lockdown



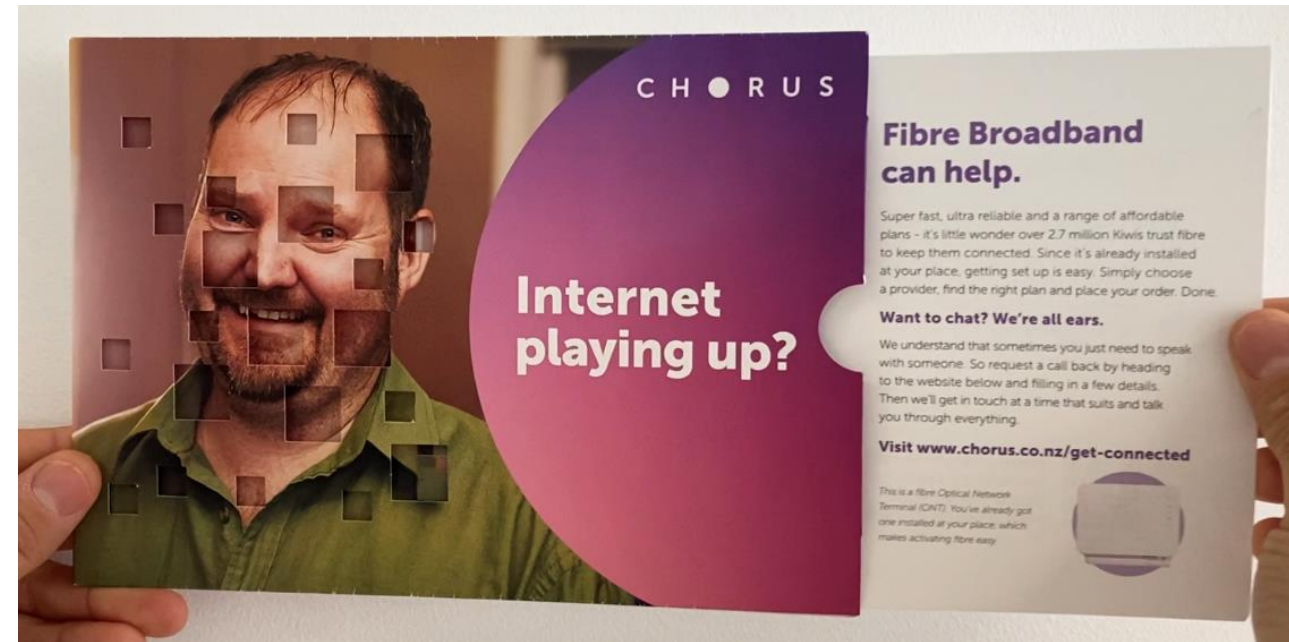
FY22 strategy



On track for 1 million fibre connections

Just achieved 900,000 fibre connections (mass market and premium)

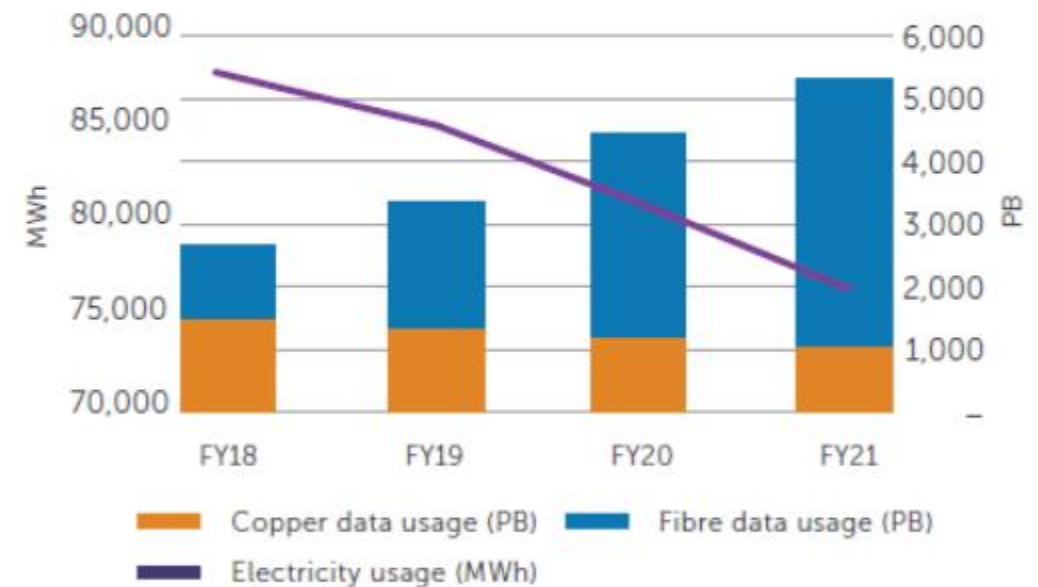
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Fibre enables sustainability

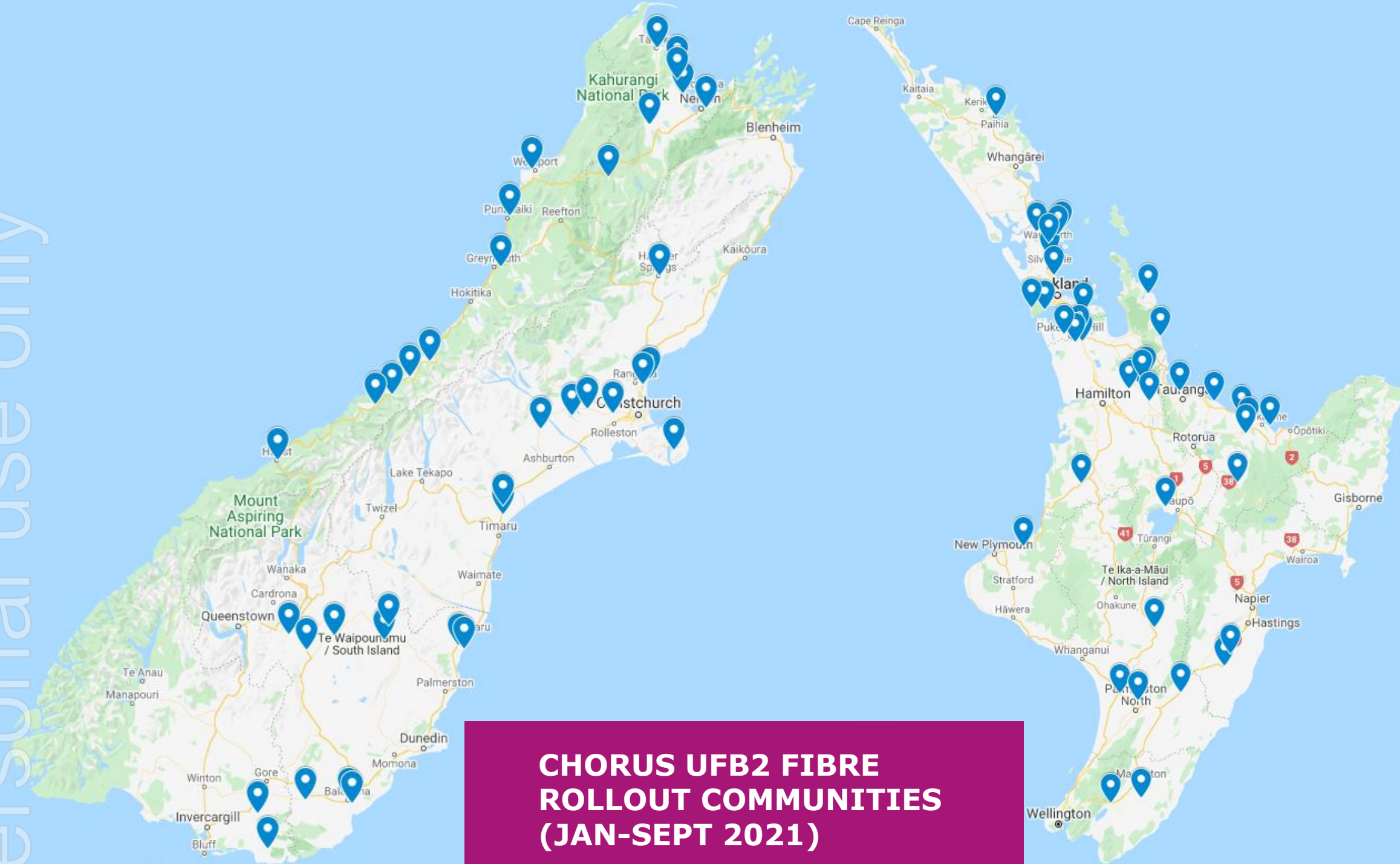


Data vs Network Electricity Usage FY18 – FY21



- transition to fibre expected to reduce electricity consumption 30-40%
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CHORUS UFB2 FIBRE ROLLOUT COMMUNITIES (JAN-SEPT 2021)



The world's best broadband is only getting better

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- and another 270,000 with fibre at their gate
- fibre products continue to evolve...8Gbps.....25Gbps
- Wi-Fi 6E will help consumers make even more of fibre



Resolutions

Resolutions

1. That Mr Patrick Strange be re-elected as a Chorus director.
2. That Mr Murray Jordan be re-elected as a Chorus director.
3. That Ms Miriam Dean be elected as a Chorus director.
4. That the Board be authorised to fix the fees and expenses of KPMG as auditor.

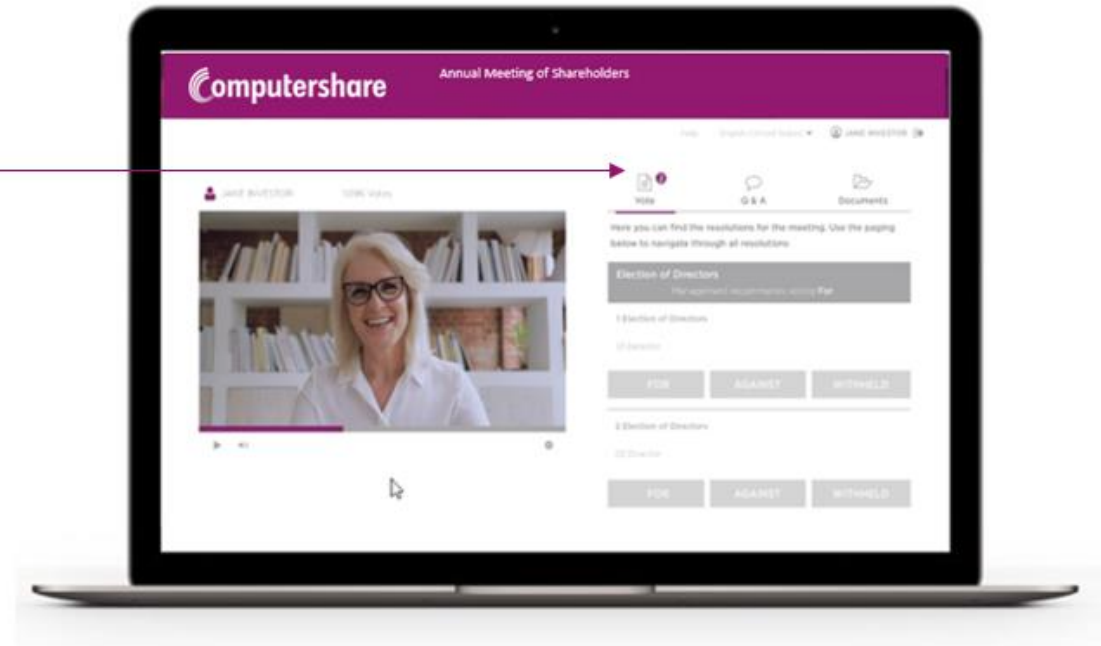
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Resolution 1: Re-election of Patrick Strange

That Mr Patrick Strange be re-elected
as a Chorus director.



Patrick Strange

BE (Hons), PhD

Chair

Director since 6 April 2015

Independent

Resolution 2: Re-election of Murray Jordan

That Mr Murray Jordan be re-elected as a Chorus director.



Murray Jordan
MProp

Director since 1 September 2015
Independent

Resolution 3: Election of Miriam Dean

That Ms Miriam Dean be elected
as a Chorus director.



Miriam Dean
CNZM QC
Independent

Resolution 4: Auditor's fees and expenses

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

Any questions?

**FIBRE.
IT'S HOW WE
INTERNET NOW.**



Feedback

We welcome your feedback.

If you have additional questions, please email us at:

company.secretary@chorus.co.nz

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- 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 to 30 June 2021 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.
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