

## STOCK EXCHANGE ANNOUNCEMENT

26 May 2025

### Chorus launches Capital Notes offer

Further to the announcement on 23 May 2025 by Chorus Limited (**Chorus**) that it had lodged a replacement Product Disclosure Statement for the offer of up to \$170 million of unsecured, subordinated, redeemable, cumulative, interest-bearing capital notes (**Capital Notes**) to investors in New Zealand (**Offer**), the Offer opens today, 26 May 2025, and is expected to close at 11.00am on 29 May 2025.

The Capital Notes will have a 31 year term, maturing on 6 June 2056, but may be redeemed early in certain circumstances from 6 March 2031, or earlier for tax or rating agency reasons.

The Interest Rate will be fixed for an initial period of 6 years, after which it will be reset on each Reset Date (6 years after the Issue Date and every 5 years after that), unless redeemed earlier by Chorus. Chorus may, in its absolute discretion, defer any payment of interest on the Capital Notes for up to 5 years.

The Interest Rate until the First Reset Date (6 June 2031) will be the greater of:

- the sum of the 6 Year Benchmark Rate on the Rate Set Date (29 May 2025) plus the Initial Margin; and
- the Minimum Initial Interest Rate.

The Minimum Initial Interest Rate is 5.50% per annum. The Minimum Initial Interest Rate only applies to the determination of the initial Interest Rate. It does not apply to the determination of the Interest Rate when it is reset on any Reset Date.

The indicative Initial Margin range for the Capital Notes is 2.10% to 2.25% per annum. The actual Initial Margin (which may be above or below the indicative Initial Margin range) and the initial Interest Rate will be determined on the Rate Set Date following a bookbuild process and will be announced by Chorus via NZX on or about that date.

The Capital Notes have been assigned a credit rating of BB+ by S&P Global Ratings (**S&P**), which is two notches below S&P's issuer credit rating for Chorus reflecting their subordination and the potential for interest payments to be deferred. The Capital Notes have been assigned a credit rating of Baa3 by Moody's Investors Service, Inc (**Moody's**). This is one notch below Moody's issuer credit rating for Chorus.

The Capital Notes are expected to be issued on 6 June 2025 and quoted on the NZX Debt Market on 9 June 2025.

Details of the Offer and the Capital Notes are contained in the replacement PDS, which is available on the Disclose register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) (offer number OFR13938). Updated copies of the indicative terms sheet and investor presentation have also been provided to NZX with this announcement.

Investors can register their interest by contacting any of the Joint Lead Managers (as detailed below) or their usual financial advice provider.

For further information please contact:

**Arranger and Joint Lead Manager**

Forsyth Barr Limited: 0800 367 227

**Joint Lead Manager**

Bank of New Zealand: 09 924 9602

Authorised by:

Drew Davies

Chief Operating Officer

**ENDS**

For further information:

**Brett Jackson**

Investor Relations Manager

Phone: +64 4 896 4039

Mobile: +64 (27) 488 7808

Email: [brett.jackson@chorus.co.nz](mailto:brett.jackson@chorus.co.nz)

**Nathan Beaumont**

Head of Corporate Relations

Phone: +64 (4) 896 4352

Email: [Nathan.Beaumont@chorus.co.nz](mailto:Nathan.Beaumont@chorus.co.nz)