C H ● R U S

Chorus Limited
Level 10, 1 Willis Street
P O Box 632
Wellington
New Zealand

Email: company.secretary@chorus.co.nz

STOCK EXCHANGE ANNOUNCEMENT

14 October 2021

Q1 FY22 overview

Total fibre connections increased by 23k to 894,000 (Q4 FY21: +29k)

Fibre uptake across the completed UFB footprint grew from 65% to 66%

- fibre broadband connections increased by 23k despite cessation of installation activity during COVID alert level 4 lockdowns and reduced volumes under alert level 3 across major centres in the latter half of the quarter
- uptake in UFB1 areas reached 71% (+2%) with Auckland reaching 76% (+1%)
- uptake in UFB2 areas now averages 44% with the fibre rollout recently completed in Whangamata, Rakaia, Haast and Ranfurly
- COVID lockdowns have driven increased demand for higher speed plans with strong momentum in 1Gbps upgrades and demand for Hyperfibre during the quarter

Total broadband connections increased 3k to 1,183,000* (Q4 FY21: -1k)

- first three months of FY22 delivered positive net monthly broadband connections

Copper broadband and voice connections declined by 32k (Q4 FY21: -44k)

- COVID lockdowns in Aug-Sept reduced the number of copper broadband disconnections in all geographies
- voice only disconnections also slowed slightly to 12k (Q4 FY21: -14k)
- total fixed line connections declined by 9k to 1,331,000* (Q4 FY21: -16k)

Average monthly data usage grew 25% from June, boosted by COVID lockdown demand

- average fibre usage was 621GB in September, up from 500GB in June
- average monthly usage on copper was 297GB, up from 254GB in June

*totals exclude 10,000 broadband connections Chorus is partly subsidising for student households

Authorised by:
JB Rousselot
Chief Executive Officer

ENDS

For further information:

Steve Pettigrew
Head of External Communications

Mobile +64 (27) 258 6257
Email: Steve.Pettigrew@chorus.co.nz

Brett Jackson
Investor Relations Manager
Phone: +64 4 896 4039
Mobile: +64 (27) 488 7808
Email: Brett.Jackson@chorus.co.nz

Q1 FY22 Connections Update

14 October 2021

Q1 FY22 overview

Total fibre connections increased by 23k to 894,000 (Q4 FY21: +29k)

> **Fibre uptake across the completed UFB footprint grew from 65% to 66%**

- fibre broadband connections increased by 23k despite cessation of installation activity during COVID alert level 4 lockdowns and reduced volumes under alert level 3 across major centres in the latter half of the quarter
- uptake in UFB1 areas reached 71% (+2%) with Auckland reaching 76% (+1%)
- uptake in UFB2 areas now averages 44% with the fibre rollout recently completed in Whangamata, Rakaia, Haast and Ranfurly
- COVID lockdowns have driven increased demand for higher speed plans with strong momentum in 1Gbps upgrades and demand for Hyperfibre during the quarter

> **Total broadband connections increased 3k to 1,183,000*** (Q4 FY21: -1k)

- first three months of FY22 delivered positive net monthly broadband connections

> **Copper broadband and voice connections declined by 32k** (Q4 FY21: -44k)

- COVID lockdowns in Aug-Sept reduced the number of copper broadband disconnections in all geographies
- voice only disconnections also slowed slightly to 12k (Q4 FY21: -14k)
- total fixed line connections declined by 9k to 1,331,000* (Q4 FY21: -16k)

> **Average monthly data usage grew 25% from June, boosted by COVID lockdown demand**

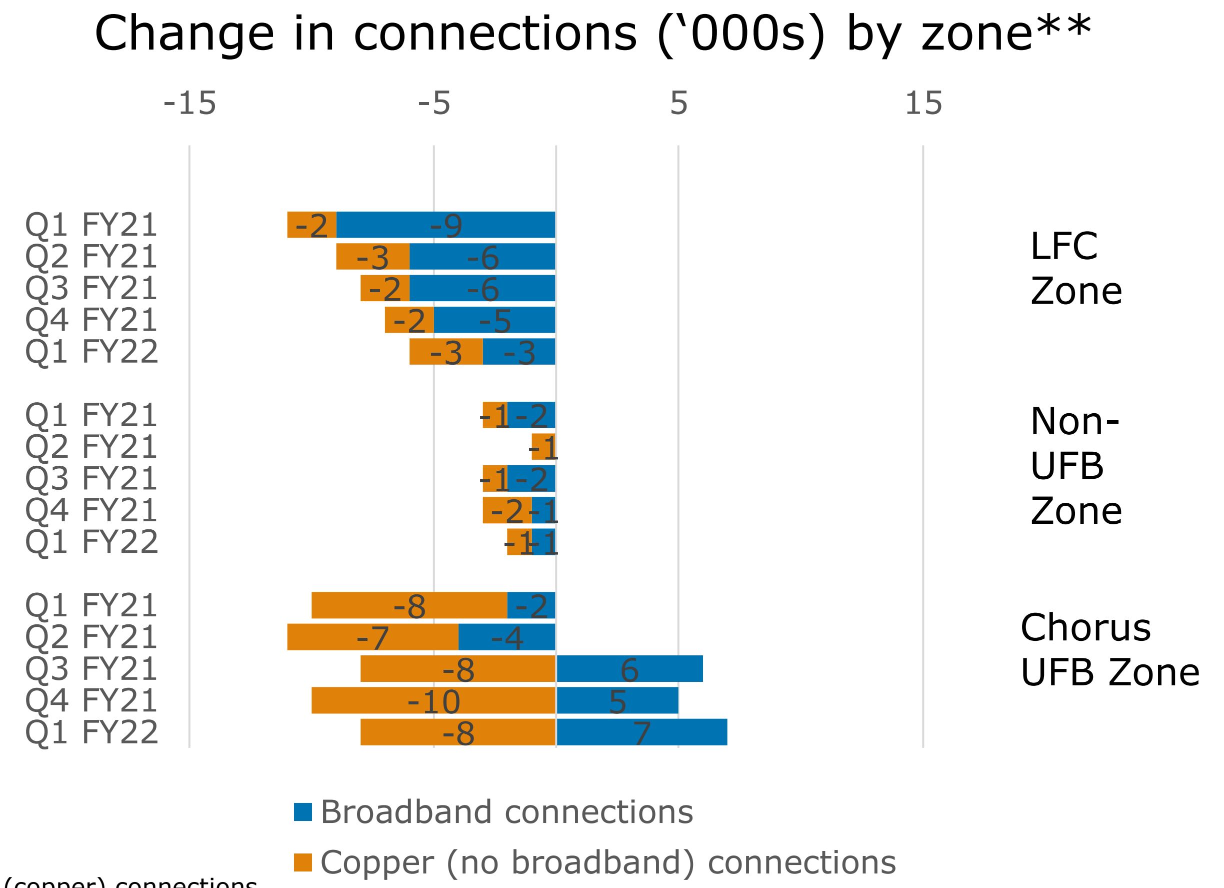
- average fibre usage was 621GB in September, up from 500GB in June
- average monthly usage on copper was 297GB, up from 254GB in June

*totals exclude ~10,000 broadband connections Chorus is partly subsidising for student households

Connection changes by Zone (indicative)

- **Chorus UFB zone:** continued broadband growth driven by Chorus incentives and migration campaigns. Copper voice disconnections reflect migration to fibre and targeted fixed wireless activities. COVID-19 restrictions slowed market activity in Q1 and broadband growth has been constrained by COVID-19 limits on net migration.
- **LFC zone**: disconnections continue due to Local Fibre Company and fixed wireless provider activity, with some slowdown due to COVID-19 restrictions.
- **Non-UFB zone**: continuation of existing voice and broadband trends

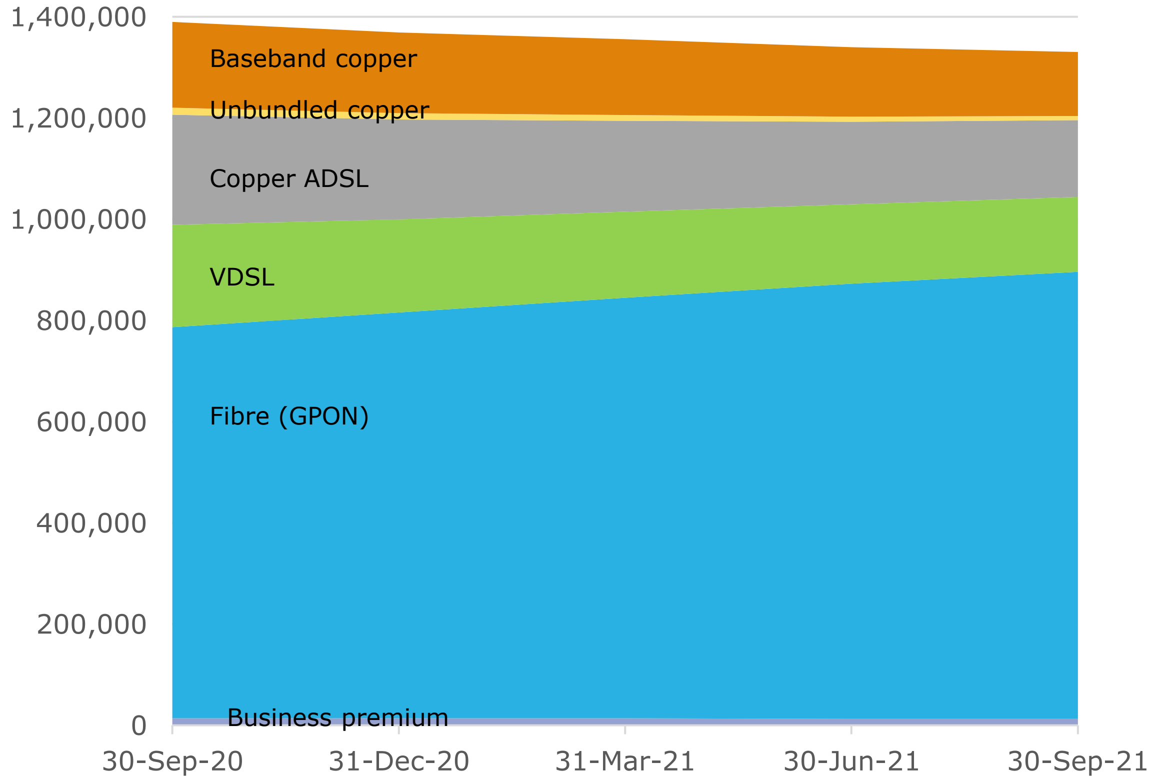
	Chorus UFB zone*	Non-UFB zone	Local Fibre Company UFB zone
Total connections at 30 September	**1,068,000**	**183,000**	**67,000**
Broadband connections	992,000	149,000	42,000
Copper (no broadband) connections	76,000	34,000	25,000



* Includes planned Chorus UFB1, 2 and 2+ coverage
**Excludes 10k partly subsidised education connections and 13k fibre premium and data services (copper) connections

Fibre comprises 67% of Chorus connections

	30 Sept 2020	31 Dec 2020	31 March 2021	30 June 2021	30 Sept 2021
Unbundled copper (no broadband)	14,000	13,000	11,000	10,000	8,000
Baseband copper (no broadband)	169,000	159,000	150,000	137,000	127,000
Copper ADSL (includes naked)	218,000	197,000	180,000	163,000	152,000
VDSL (includes naked)	202,000	184,000	170,000	157,000	148,000
Fibre broadband (GPON)	773,000	802,000	831,000	860,000	883,000
Data services (copper)	3,000	3,000	3,000	2,000	2,000
Fibre premium (P2P)	11,000	11,000	11,000	11,000	11,000
Total connections	1,390,000	1,369,000	1,356,000	1,340,000	1,331,000

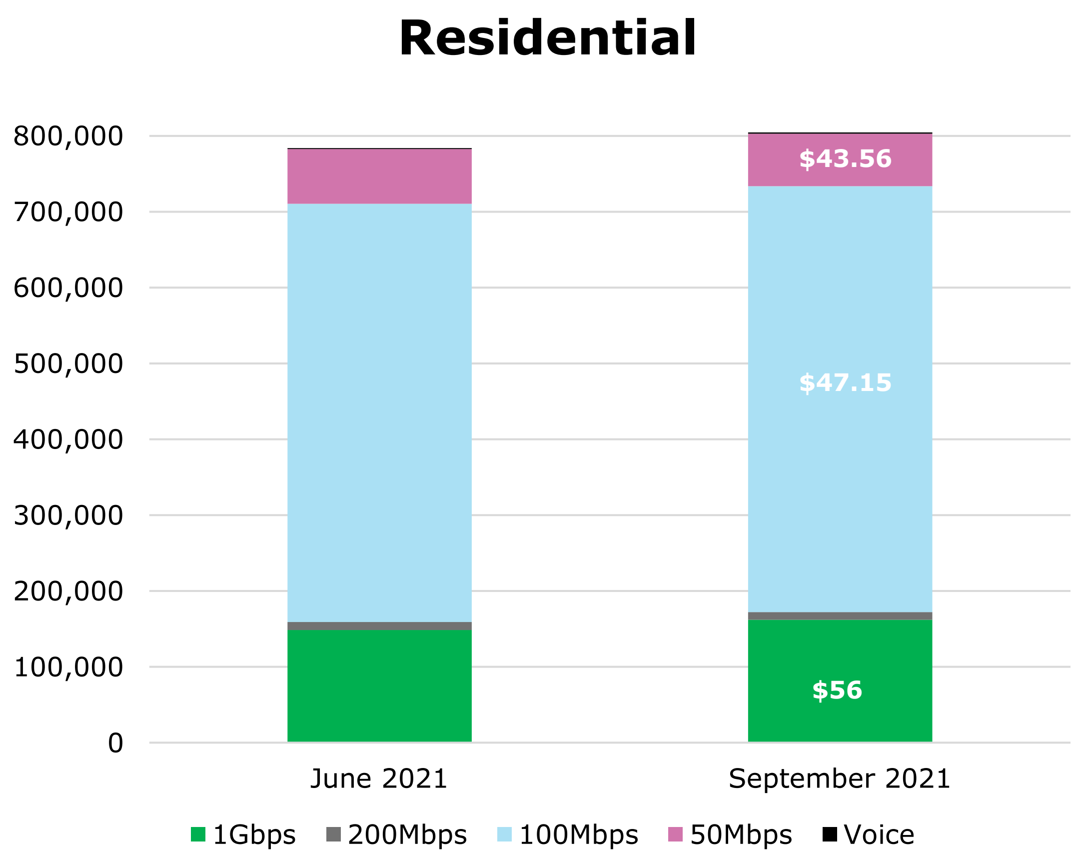


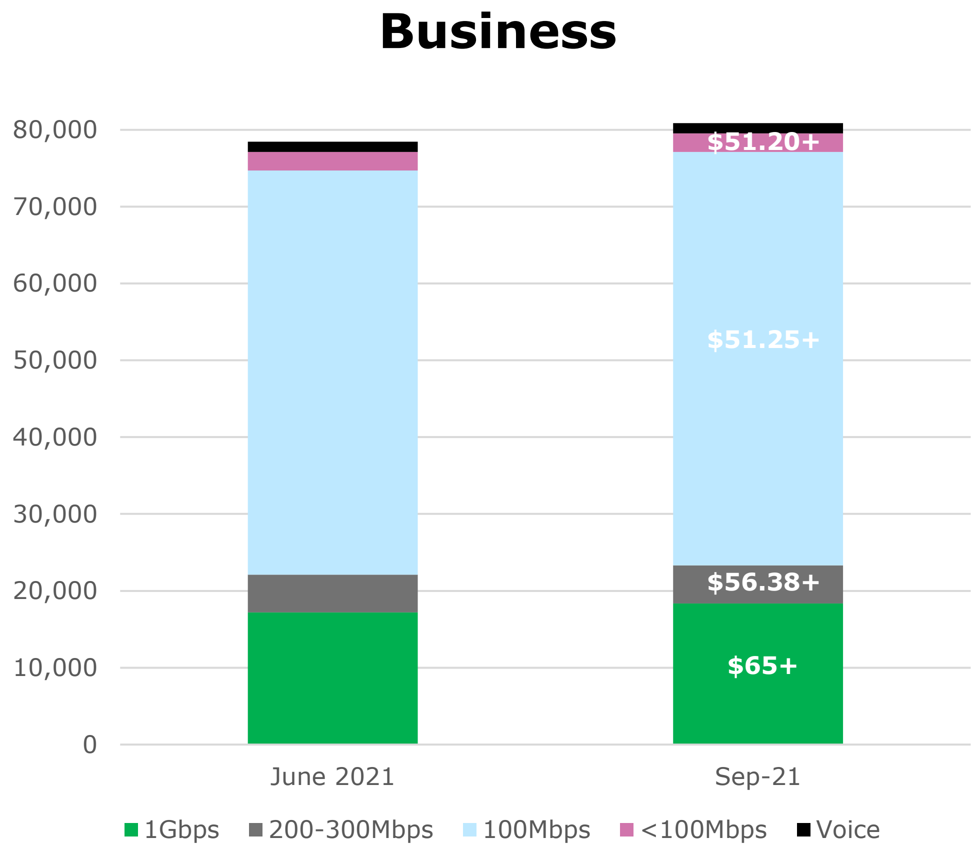
> **1,183,000 broadband connections comprises:**
- 883,000 fibre (GPON) connections
- 300,000 VDSL/ADSL (copper) connections

Note: 10,000 partly subsidised education connections are excluded from this data

1 Gigabit plans now 20% of mass market

> 1Gbps connections (consumer + business) grew by 15k connections to 181,000





Note: business plan pricing shown is indicative entry level option for each speed tier

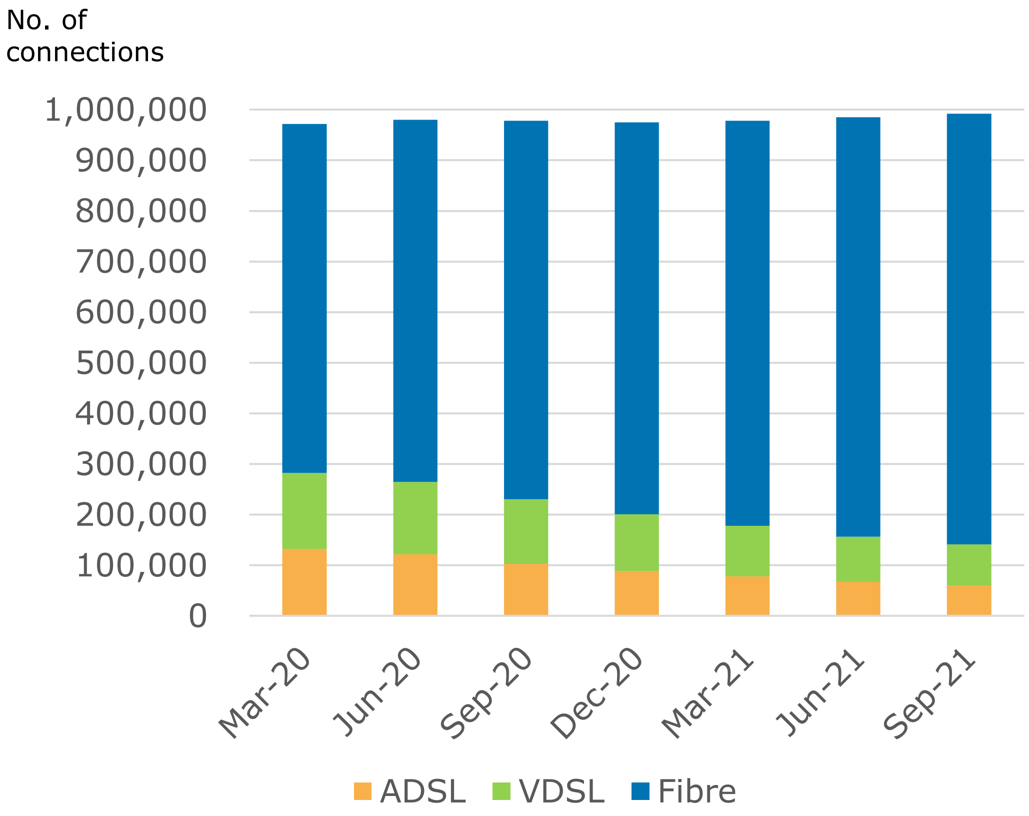
UFB uptake grows to 66%

> **UFB uptake increased from 65% to 66% within completed footprint in Q1***
- uptake in UFB1 areas grew from 69% to **71%**
- uptake in UFB2 areas grew from 42% to **44%**
- **858,000** connections (Q4 FY21: 837,000) now within completed footprint, including business premium connections
- **1,295,000** customers able to connect (Q4 FY21: 1,282,000)
- **1,011,000** premises passed** (Q4 FY21: 999,000) out of 1,054,000 target = UFB rollout 96% complete

(note: data includes some UFB2 areas that have been partially built, but not yet submitted for Crown sign-off)

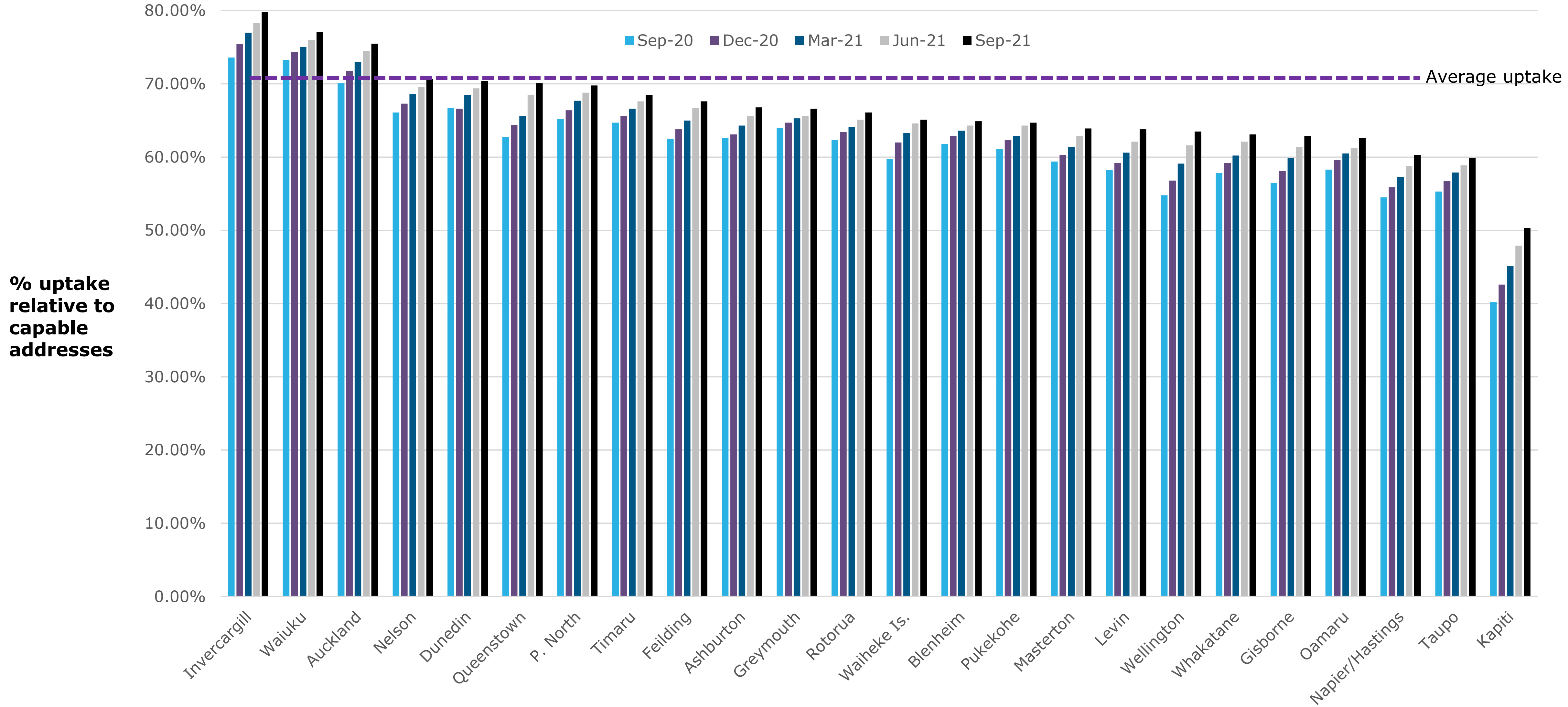
> **30,000 fibre installations completed in Q1 (Q4 FY21: 41k)**
- customer satisfaction increased to **8.3** from 8.2
- WIP increased to 15k from ~13k
- field crews remained steady ~650

Fibre now 86% of Chorus broadband connections in planned UFB zone



* includes ~3k partly subsidised education connections
**under the UFB contract, a multi-dwelling unit or single office block is one premises

UFB1 uptake: 71%

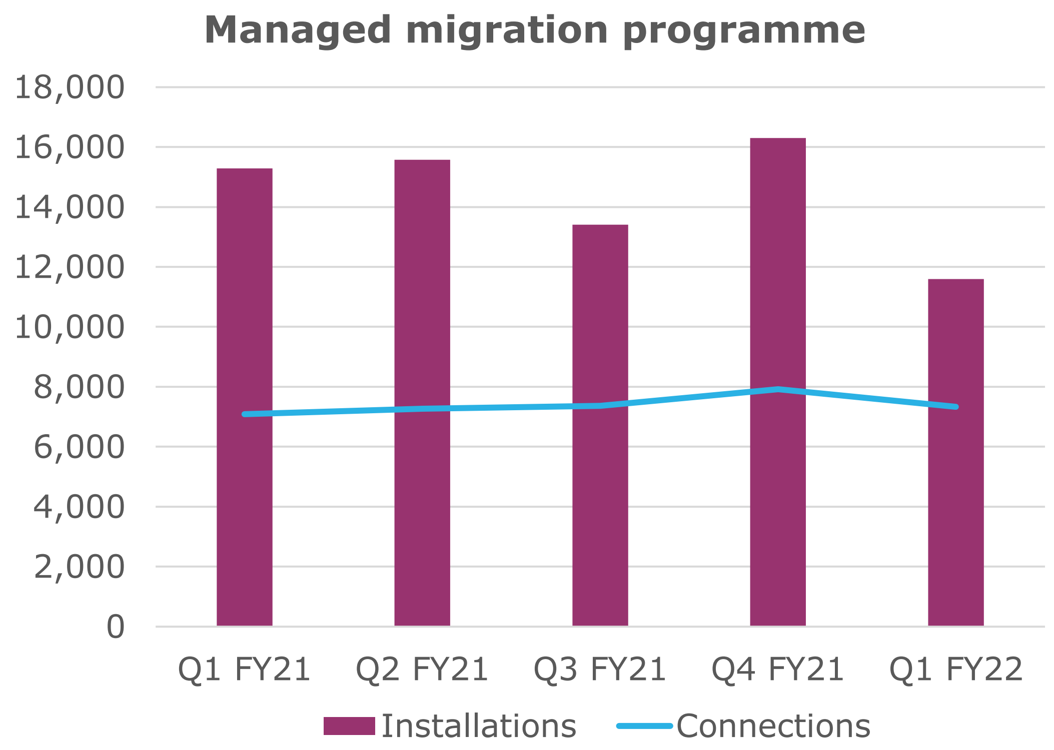


Managed migration activity slowed by lockdown

~12k managed migration installations completed in Q1 (Q4 FY21: 16k)

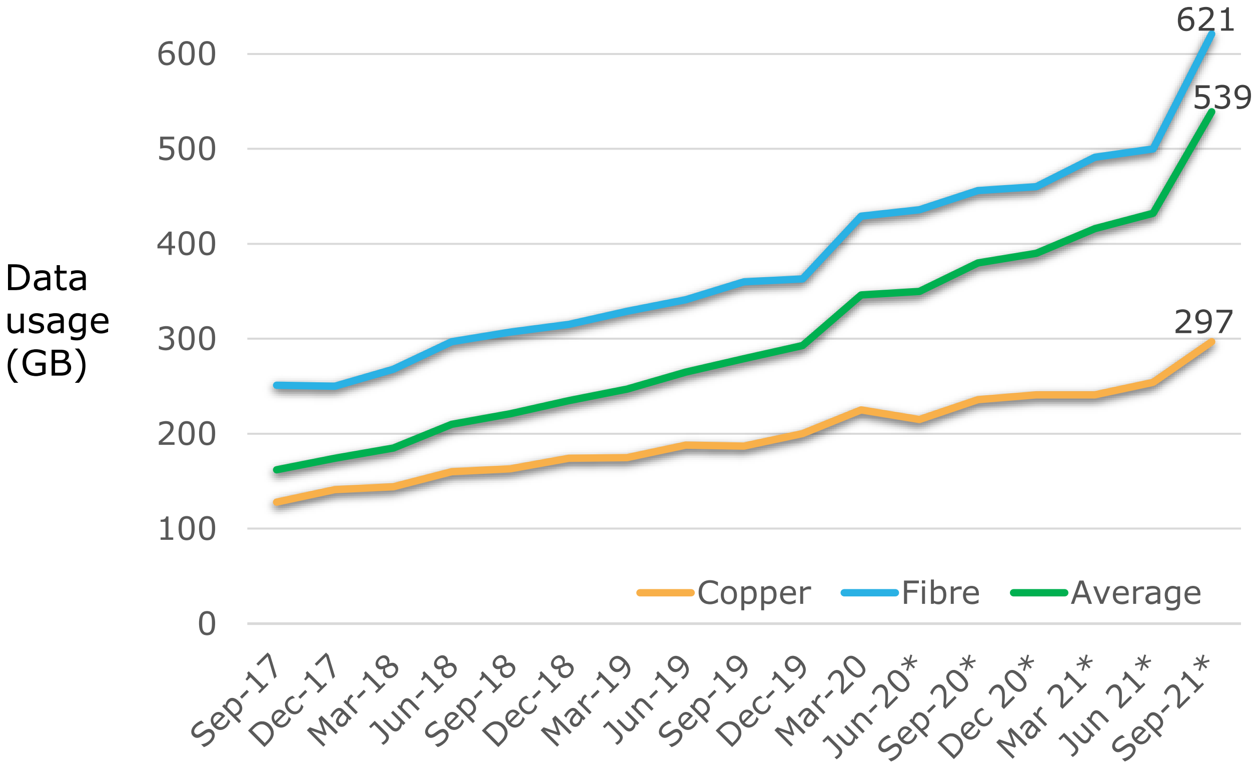
> installations were slowed by restrictions on technician activity during the COVID alert level 4 lockdown period

- activations of installed fibre sockets (ONTs) don't require technician visits and were less affected at ~7k
- ~3k activations were at offnet addresses



Monthly average data usage on fibre 621 gigabytes

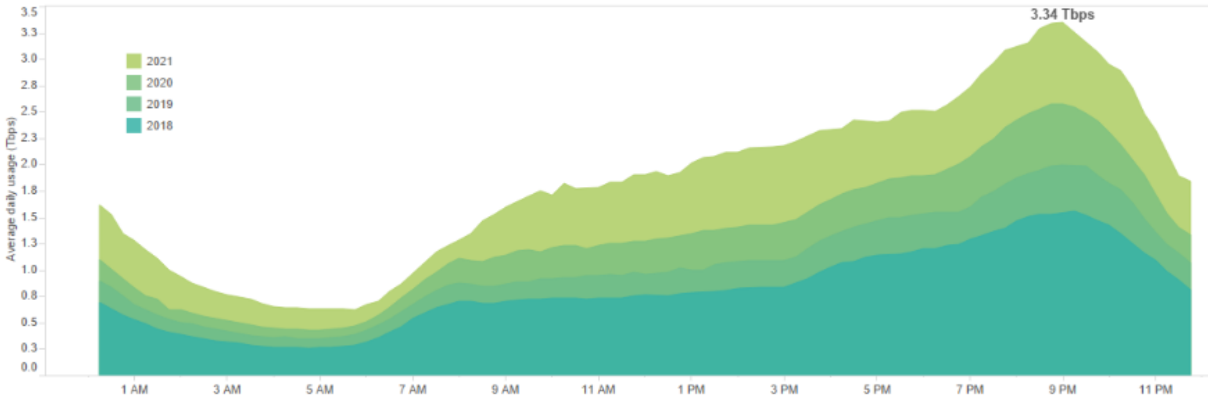
Monthly average data usage per connection on our network*



* includes upstream traffic from June 2020 onwards

> **heightened COVID-19 alert levels drove substantial increases in monthly data usage**
- **621GB** on fibre (June:500GB)
- **297GB** on copper (June:254GB)
- **539GB** average (June:432GB)

> Average peak throughput on our network at peak time (~9pm) was 3.34Tbps in September, up from 2.81Tbps in June



Commerce Commission broadband testing report

- The Commerce Commission's *Measuring Broadband New Zealand*, Winter Report (August 2021) showed latency is a key area in which fixed line services outperform fixed wireless significantly. Particularly for online gaming.

Figure 3: Average Latency to Test Servers by Plan. Lower is better.
Average of monthly household averages. Peak hours are Monday - Friday, 7pm - 11pm.
Error bars show 95% confidence intervals of the mean.

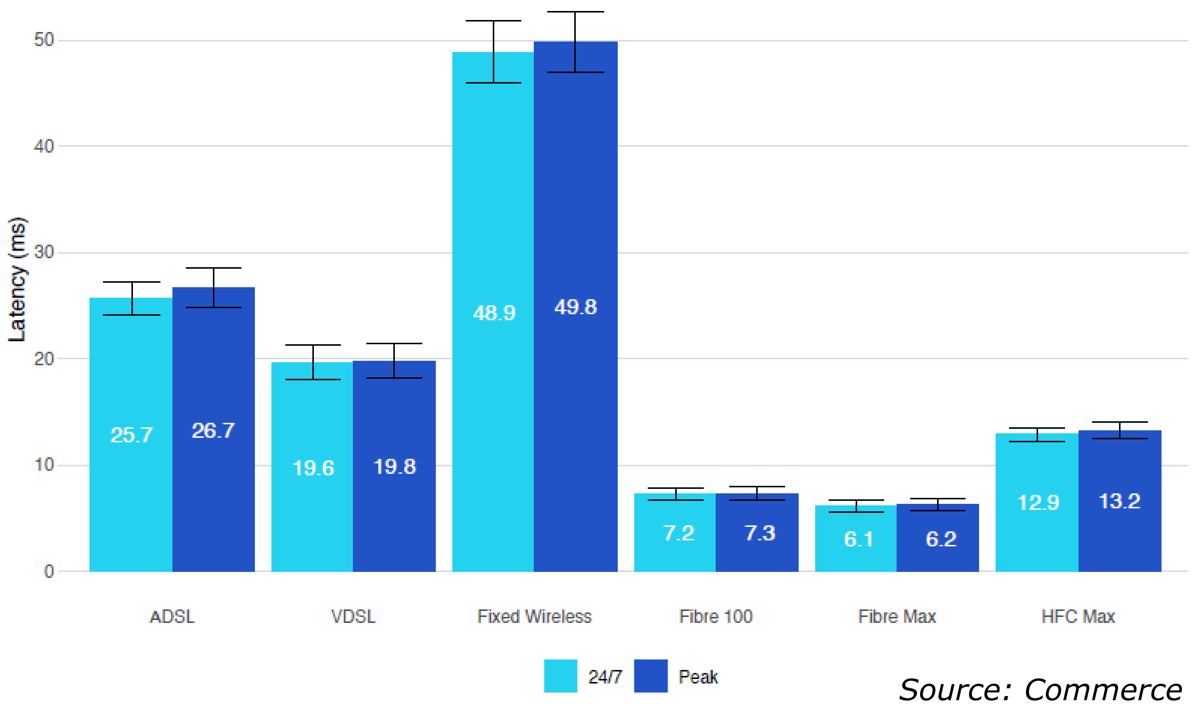
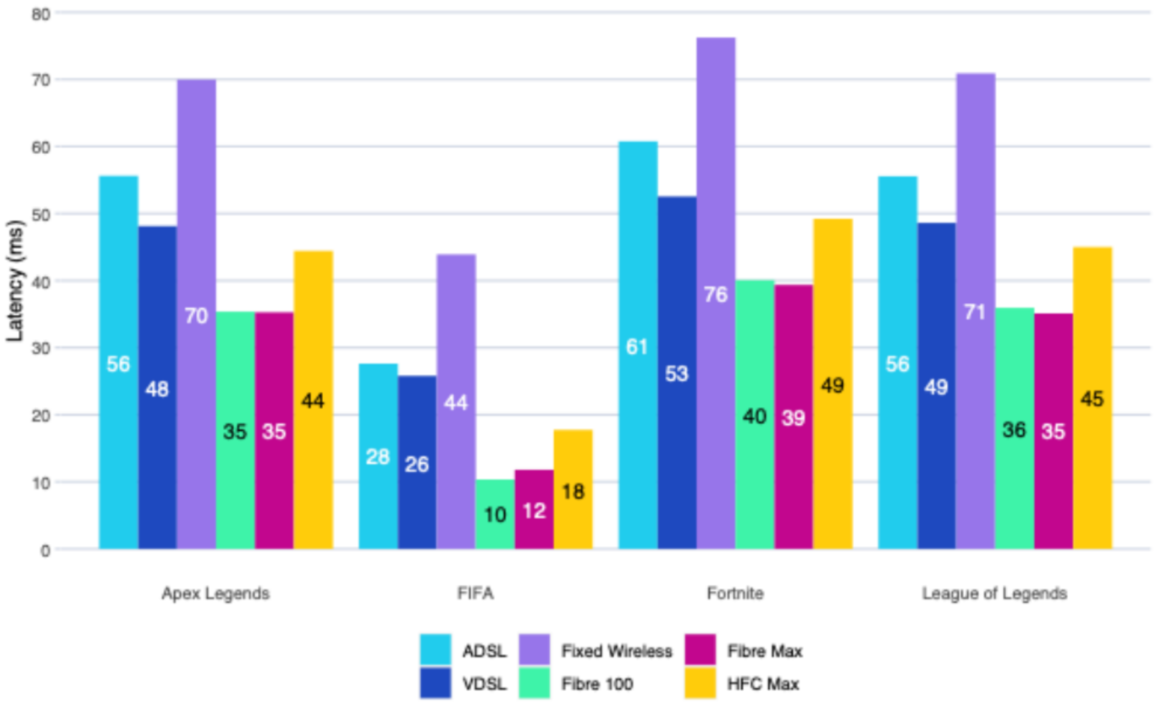


Figure 10: The latency to various online gaming servers. Lower is better.
Average of household average latency to gaming servers.
Lower latency means that lag is less likely.



Source: Commerce Commission

CHORUS