

STOCK EXCHANGE ANNOUNCEMENT

11 July 2025

Q4 FY25 Connections Update

Chorus today released its connections update for the Q4 period to 30 June.

Data demand steps up in winter months

The quarter featured a strong step up in data demand with average monthly usage consistently above 670 gigabytes (GB) in April, May and June. Fibre usage in June averaged 671GB compared to 642GB in April.

The increase through the quarter was likely driven by ongoing changes in consumption combined with holidays, winter streaming habits and gaming updates. A new record for daily usage on the network of 30 petabytes, the equivalent of 30 million gigabytes, coincided with a Fortnite gaming update on 8 June. June also saw the proportion of fibre users consuming more than 1,000GB in a month, or 1 terabyte of data, near 19% for the first time.

Steady fibre connection growth

Total fibre connections increased by about 8,000 lines in the quarter to 1,115,000. This growth more than offset a decline of about 6,000 copper lines in Chorus' fibre areas.

Fibre uptake in UFB2 rollout areas, completed between 2018 and the end of 2022, rose from 61% to 62%. Fibre uptake across Chorus' wider fibre network footprint, excluding other local fibre company areas, lifted by 0.1% to 72.1%.

Another 7,000 addresses were passed by fibre in the period. This included about 2,000 addresses covered by Chorus' network extension project for existing homes in smaller communities. Half of the more than 9,000 planned addresses can now connect, with 1,200 connections activated so far.

Chorus boosts home fibre plan speeds

Chorus completed its Big Fibre Boost for retail partners in June, lifting home fibre 50/10Mbps plans to 100/20Mbps and 300/100Mbps plans to 500/100Mbps, at no extra wholesale cost. Retailers are now enabling the upgrade for their customers.

The Home Fibre Starter plan, now 100/20Mbps, remained popular in the challenging economic environment with another net 11,000 connections added in the quarter. About 67% of gross adds on the plan were from new fibre connections or off-net addresses, and

another 6% transferred from legacy low-speed plans. Just over a quarter of the gross adds were from higher speed plans.

Residential demand for speeds of 1Gbps and above remained resilient with another 1,000 connections added in the quarter and Hyperfibre demand close to 5,000 connections.

Copper retirement in Chorus fibre areas by mid-2026

Chorus' total fixed line connections reduced by 7,000 lines, consistent with the trend in the prior quarter. This reflected the combination of reducing demand for copper connections, partly offset by growth in fibre connections.

Another 15,000 copper lines disconnected in the quarter, leaving about 92,000 in service nationwide at the end of June. Just 13,000 of these lines remain in service in Chorus' fibre areas, with copper services in these areas on track to be retired by mid-2026.

In areas where fibre is not available, Chorus saw about 7,000 copper customers choose to migrate to alternative network options in the quarter. This leaves approximately 68,000 copper lines outside of the existing fibre footprint. Based on this rate of decline and market estimates, Chorus expects that satellite connections will very soon overtake the number of copper connections in rural areas, if they haven't already.

In March, the Commerce Commission released a draft recommendation that copper voice and broadband services should be deregulated given the wide availability of alternative technologies. A final recommendation is due to Government by the end of 2025.

As part of the copper network retirement, Chorus is committed to a clear, consumer-centric retirement process that supports the transition of customers still on copper to modern services.

Improving rural connectivity

Chorus has also proposed expanding fibre from 87% to 95% of New Zealanders to deliver better socio-economic outcomes for homes and businesses currently beyond the fibre footprint. This proposal was one of 17 infrastructure initiatives recently endorsed by the government's Infrastructure Commission. While this endorsement is independent of any government funding decisions, it highlights both the importance of improving rural connectivity and the need for a coordinated strategy to support it.

Authorised by:

Mark Aue
Chief Executive Officer

ENDS

For further information:

Victoria Luong
Media and engagement advisor
Phone +64 22 490 2591
Email: Victoria.Luong@chorus.co.nz

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

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Q4 FY25 CONNECTIONS UPDATE

Q4 FY25 overview

- > **Fibre connections (including non-address points and LFC areas) increased 8k (Q3 FY25: +9k) to 1,115,000**
 - in Chorus fibre areas, an 8k increase in fibre broadband connections more than offset a 6k reduction in copper lines
 - Chorus completed its Big Fibre Boost for retail partners in June, lifting home fibre 50/10Mbps plans to 100/20Mbps and 300/100Mbps plans to 500/100Mbps at no extra wholesale cost
 - *Home Fibre Starter* (now 100/20Mbps) connections grew by net 11k connections with 67% of growth from new and offnet addresses
 - residential connections of 1Gbps and above grew 1k with *Hyperfibre* connections reaching ~5k

- > **Chorus' fibre footprint now covers 1,532,000 addresses (excluding LFC areas)**
 - fibre passed another 7,000 addresses in Q4 (Q3: +5k), including fibre to ~2k existing homes in smaller communities
 - uptake in UFB2 areas lifted from 61% to 62%
 - overall fibre uptake grew 0.1% to 72.1% of passed addresses in Q4 (Q3: +0.3%)

- > **Total fixed line connections* declined by 7k (Q3: -7k) and now total 1,207,000**
 - copper broadband connections declined by 10k (Q3: -10k) and copper voice connections declined 5k (Q3: -5k)
 - copper lines in non-fibre areas declined by 7k (Q3: -5k) with 68k remaining

- > **Average monthly data usage on fibre grew to 671GB in June (March:642GB)**
 - average fibre usage was consistently over 670GB in April, May and June
 - the proportion of terabyte users (i.e. consuming 1,000GB+ a month) was ~19% in June (March: ~17%)
 - record daily usage of 30 petabytes on 8 June coincided with a Fortnite gaming update

*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

Copper comprises less than 8% of Chorus 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 15k in Q4 and total 92k

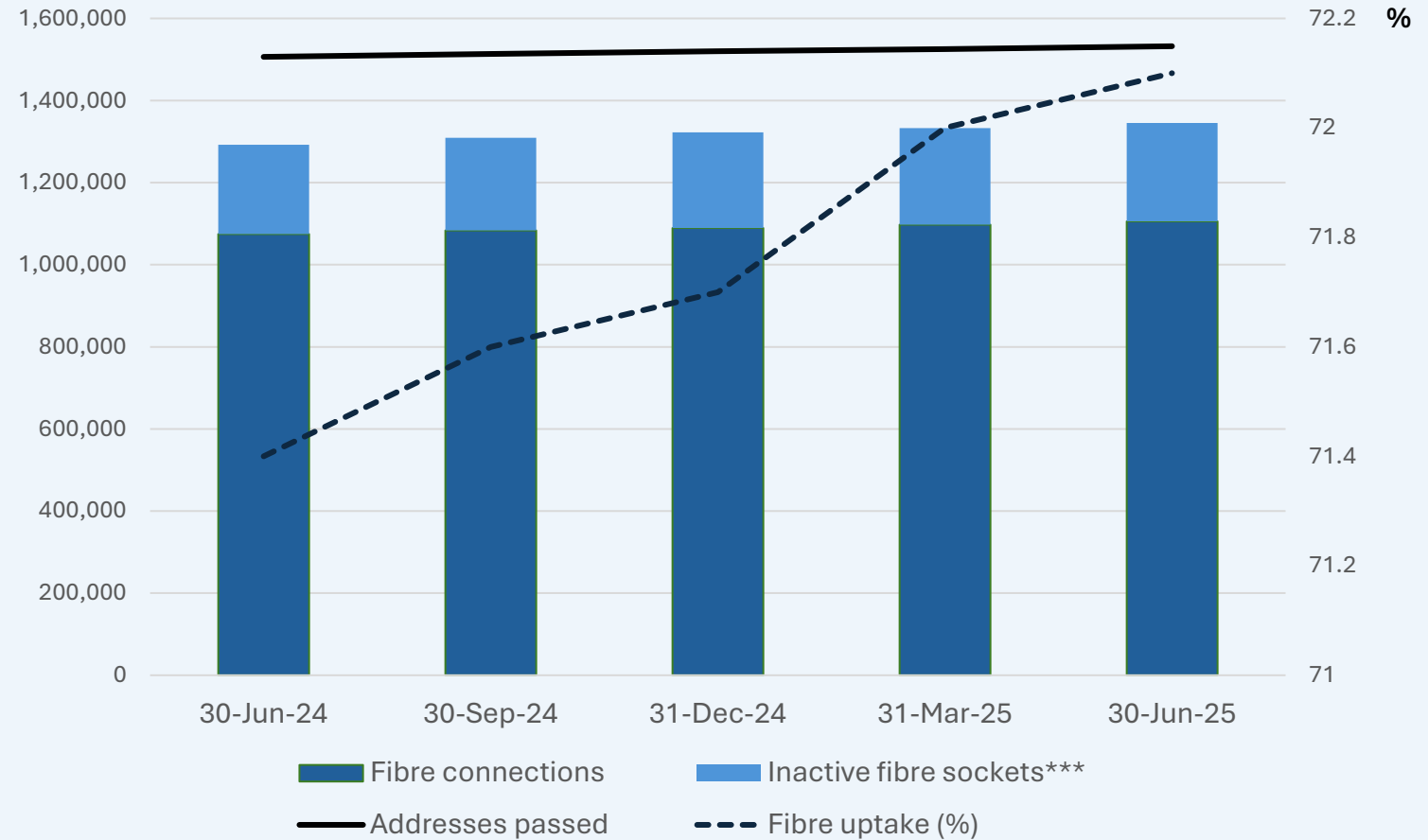
Fibre connections grew 8k in Q4 and total 1,115k

*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

Fibre uptake reaches 72.1%

72.1% fibre uptake across 1,532,000 passed addresses*

- uptake grew +0.1% in Q4
- +8k fibre connections to addresses**
- +7k addresses passed in Q4, including ~2k addresses as part of Chorus' fibre expansion programme to smaller communities
- 13k installations in Q4 (Q3:13k)
- 240k inactive fibre sockets (Q3: 235k)



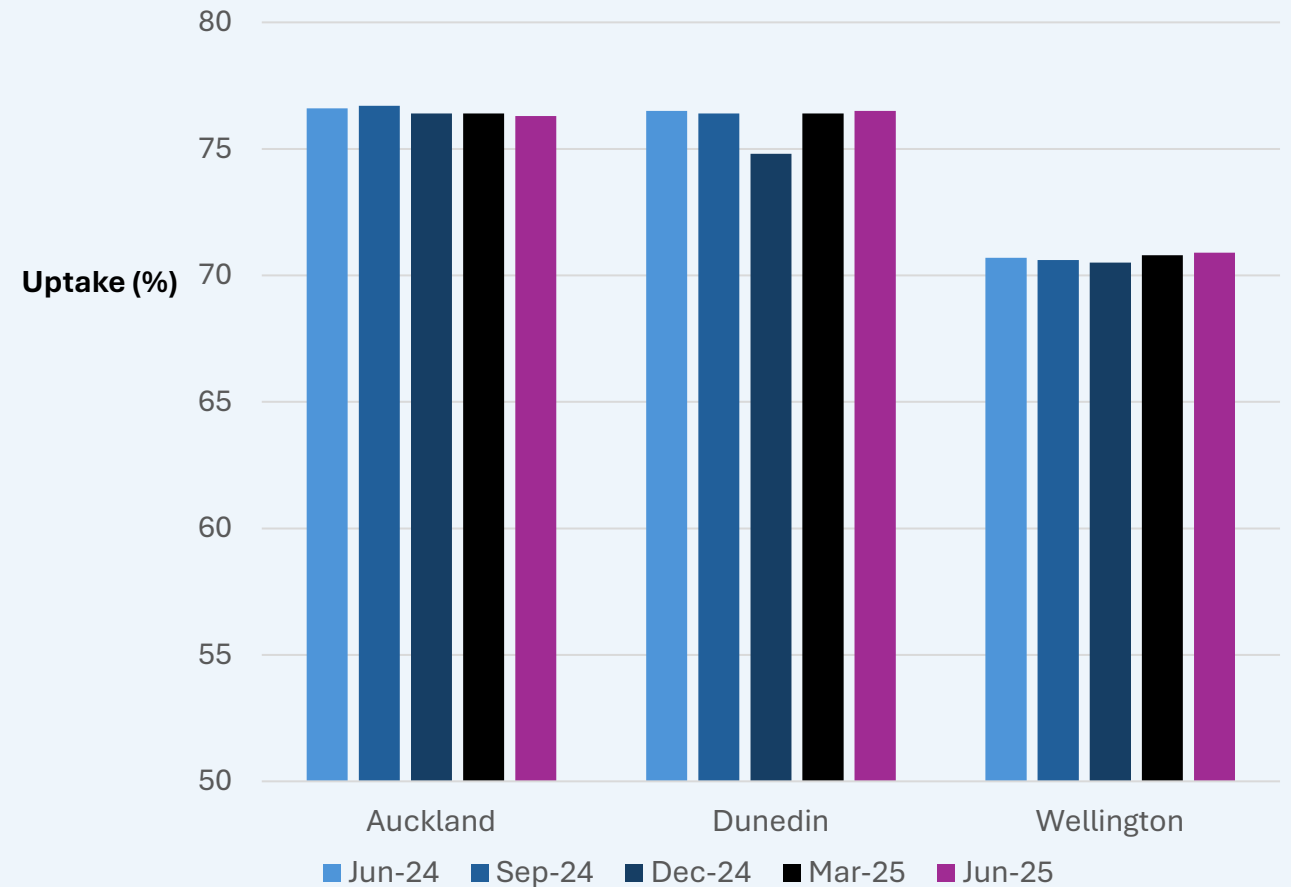
*based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in Local Fibre Company (LFC) areas
 ** includes ~7k fibre premium connections to addresses; excludes smart location (GPON) connections and connections in LFC areas
 *** not active on 30 June 2025

Fibre uptake by city

- **Auckland** uptake down 0.1% to 76.3% with address growth outpacing connection growth
- **Dunedin** uptake grew 0.1% to 76.5%
- **Wellington** uptake grew 0.1% to 70.9%

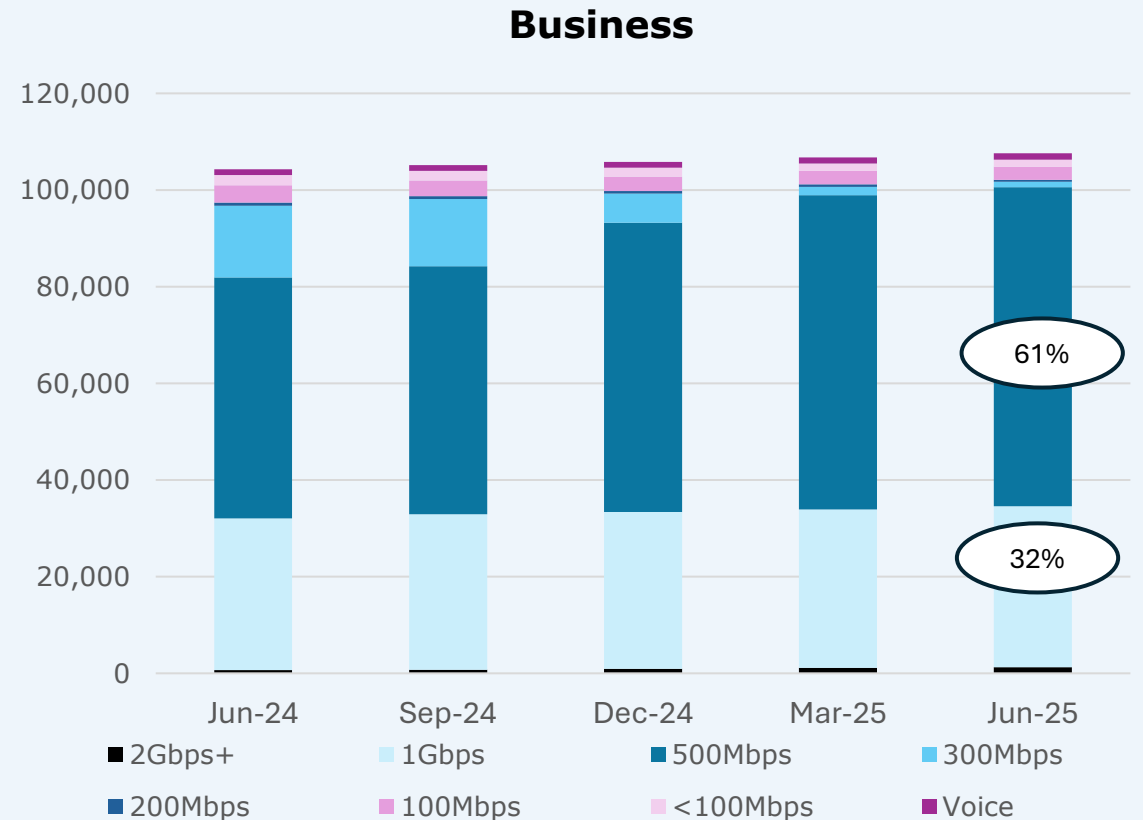
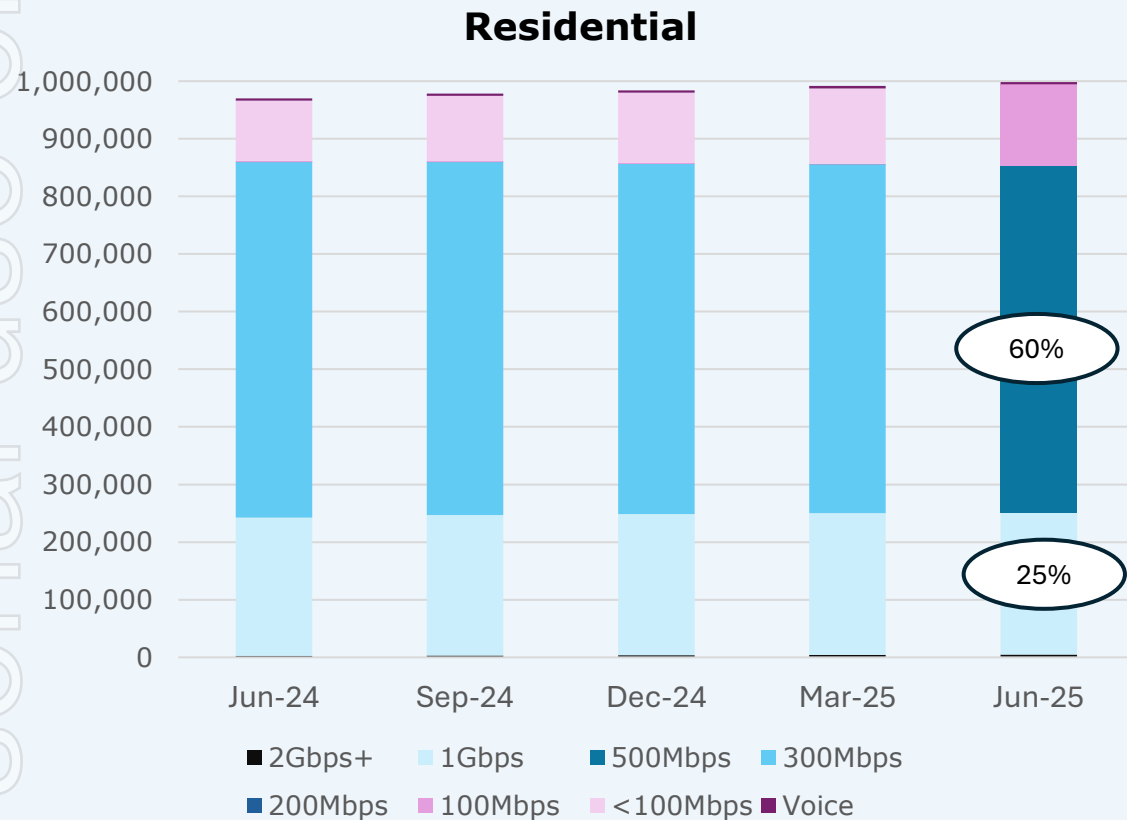
Note: uptake is measured across “urban areas” as defined by Statistics NZ, rather than the original UFB rollout areas

Uptake, by urban area, for fibre passed addresses



Fibre 'boost' completed for more than 700k homes

- *Home Fibre Starter* (now 100/20Mbps) connections grew by net 11k connections to 88k with 67% of gross adds from new fibre connections or offnet (up 1% from Q3), 26% from higher speed plans, and 6% from legacy low-speed plans
- residential connections of 1Gbps and above grew 1k with *Hyperfibre* connections reaching ~5k
- Chorus completed its Big Fibre Boost for retail partners in June, lifting home fibre 50/10Mbps plans to 100/20Mbps and 300/100Mbps plans to 500/100Mbps at no extra wholesale cost. Retailers are now enabling the upgrade for their customers.

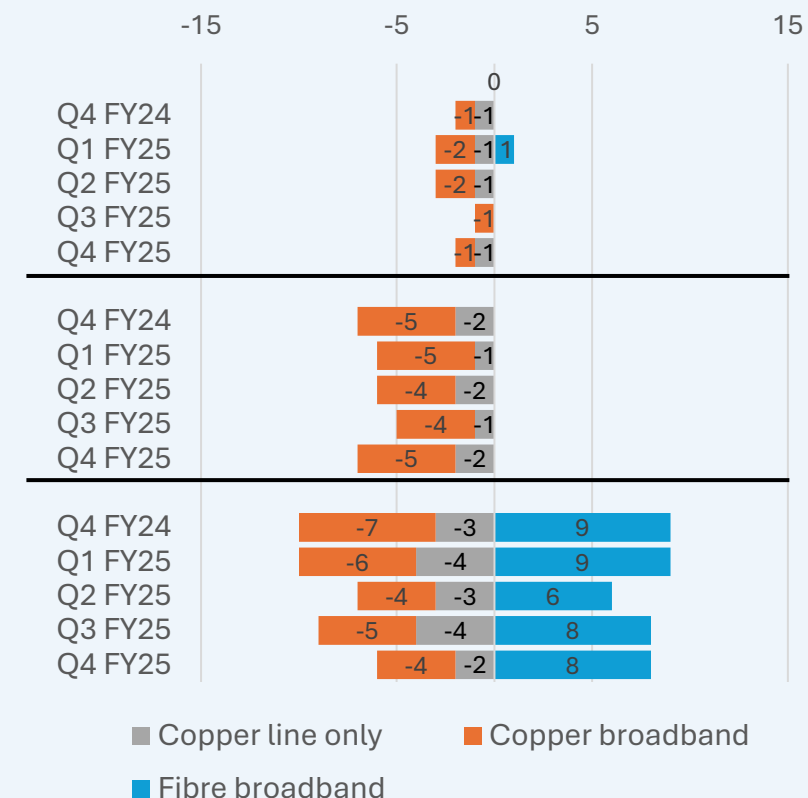


Connection changes by zone* (indicative as at 30 June)

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

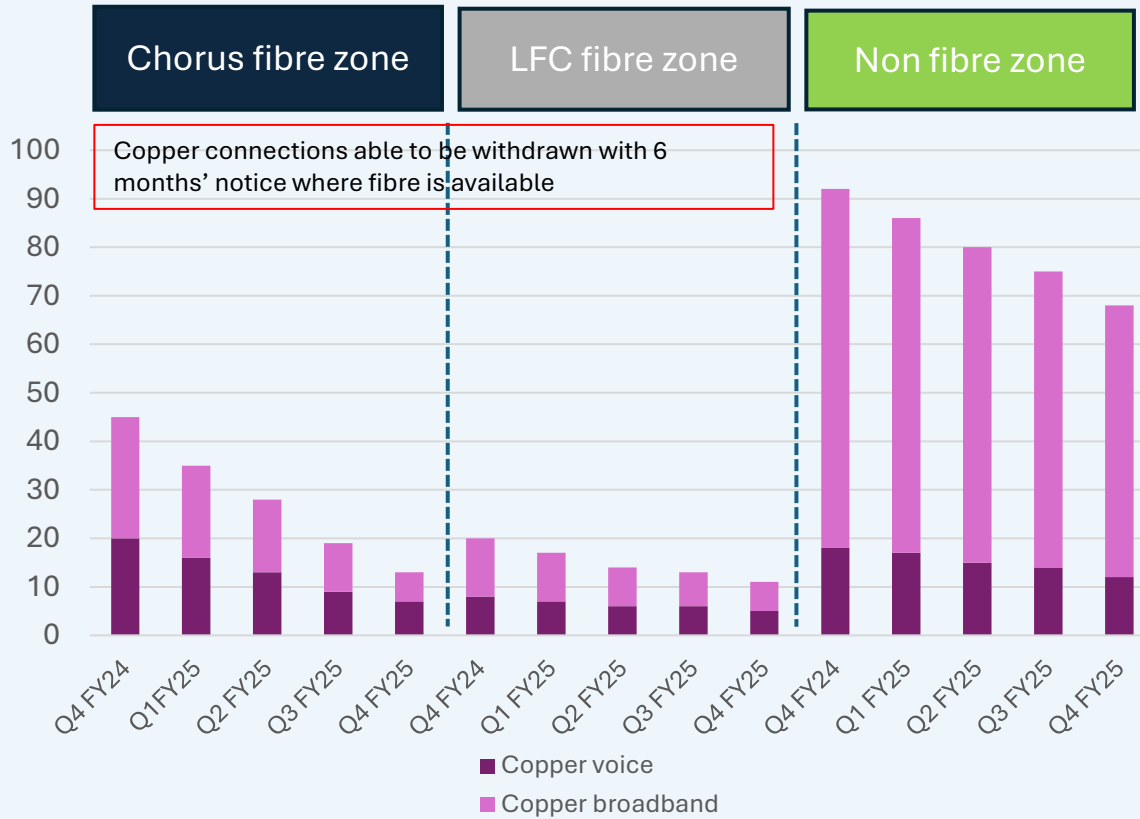
* Excludes ~12k fibre premium and smart location connections

Quarterly change ('000s) by zone



Just 92k copper lines remaining; 68k outside fibre footprint

ersonal use only



> Chorus' fibre zone:

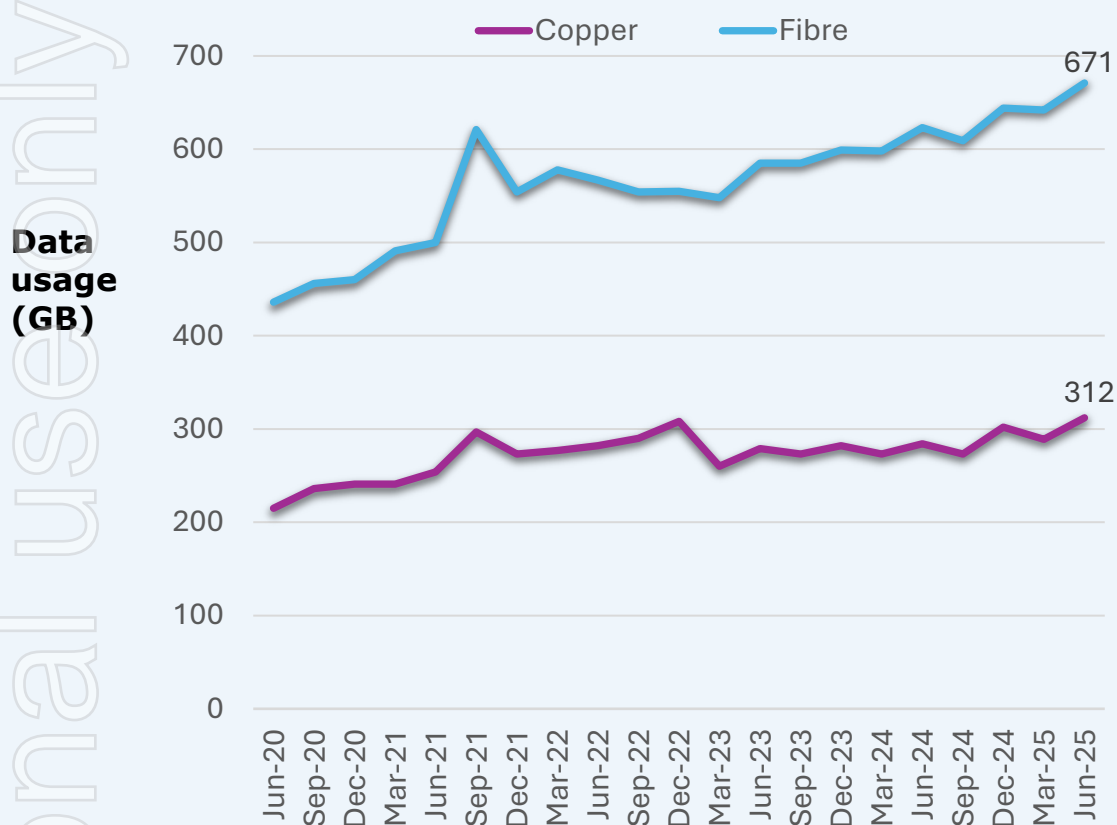
- 13k copper lines in service, with full withdrawal expected by mid-2026

> Non-fibre zones:

- 68k copper lines remaining, down 26% in FY25
- Chorus' fibre extension rollout (~9k premises) is largely complete with 4.5k premises ready for service and 1.2k connected to date

Monthly data usage on fibre consistently above 670GB in Q4

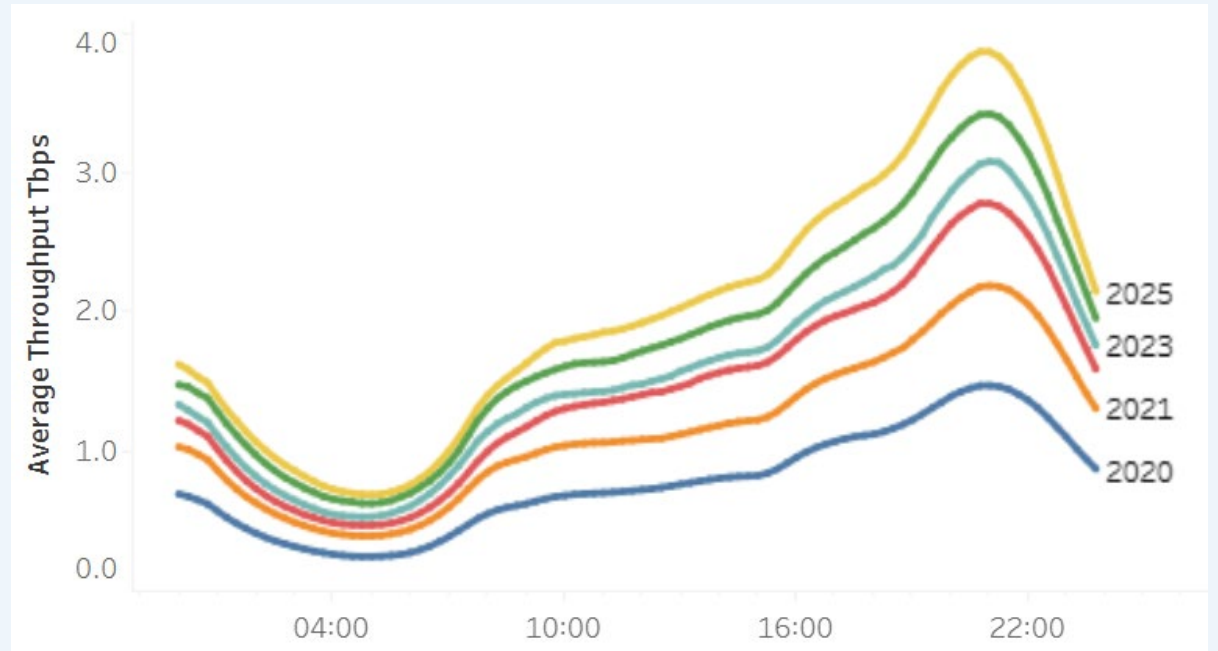
Monthly average data usage per connection*



* includes upstream traffic

- monthly average data usage on fibre lifted to 671 gigabytes (GB) in June vs 642GB in March
- the proportion of fibre connections using more than 1 terabyte of data was ~19% vs ~17% in March
- copper usage was 312GB (March: 289GB)

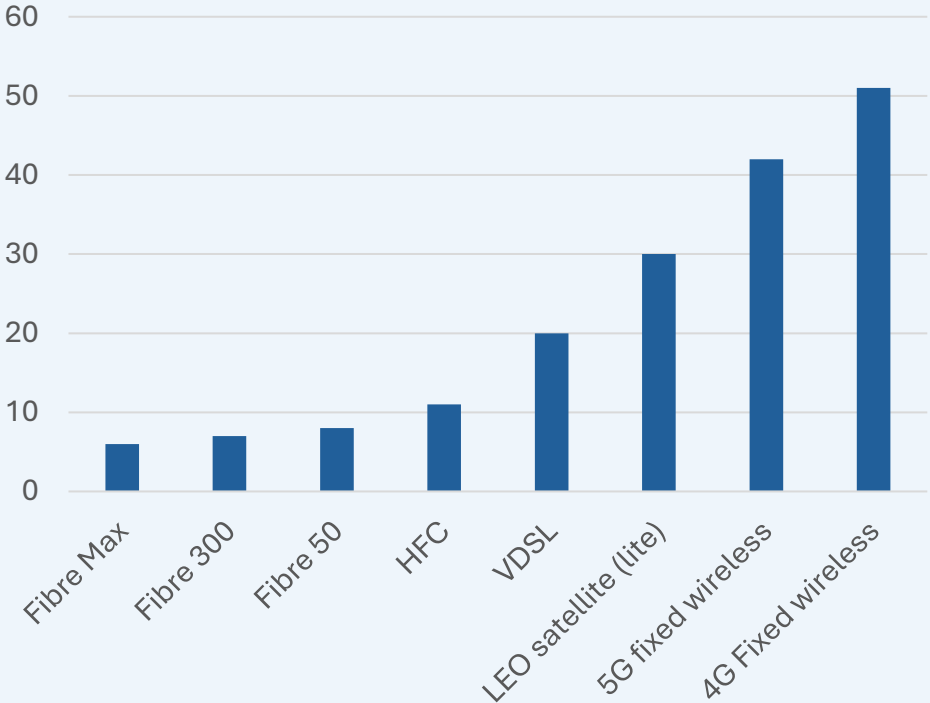
Average throughput in June (2020-2025), by time of day



Commerce Commission monitoring shows benefits of fibre

Average latency at peak time (idle), by broadband technology

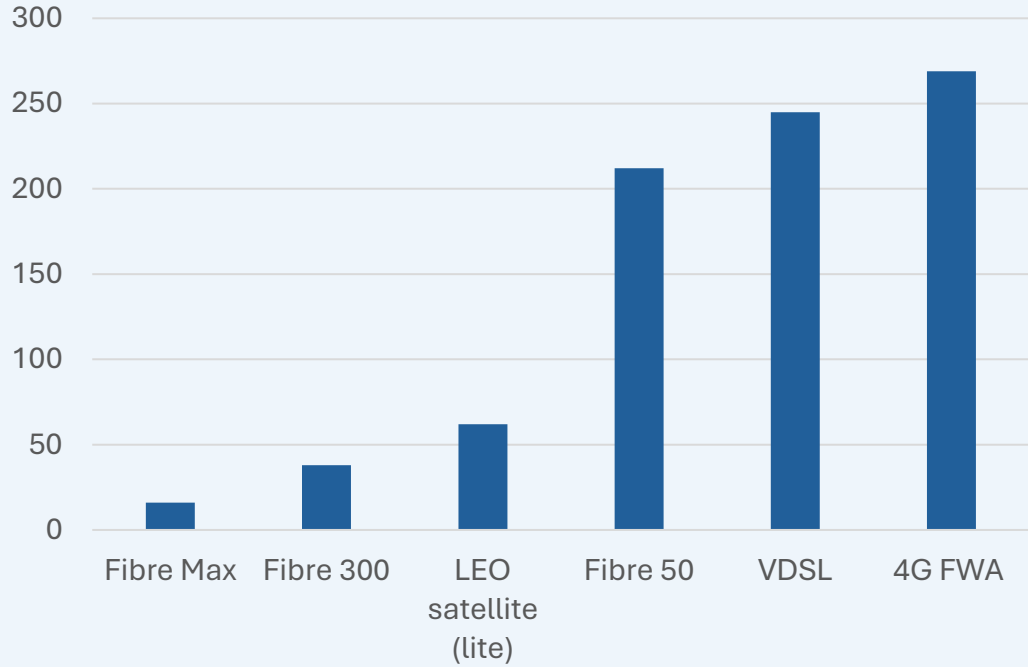
Milliseconds
(lower is better)



Source: Measuring Broadband NZ, Report 24, June 2025: Figure 15

Time to download 79.5GB gaming file via Xbox Live, by broadband technology

Minutes

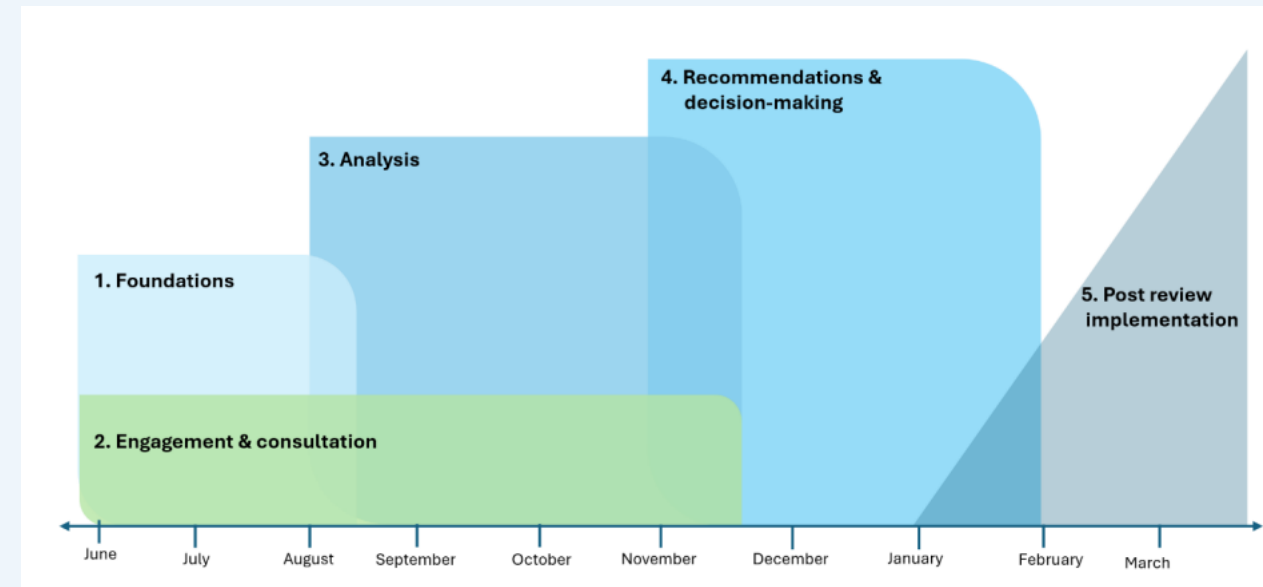


Source: Measuring Broadband NZ, Report 24, June 2025: Figure 22

Telco sector regulatory review announced in June

> Ministry for Regulation review:

- **Purpose:** to ensure that the current regulation remains fit for purpose in light of technology and market changes
- **In scope:**
 - shareholder cap and constitutional restrictions
 - consideration of telecommunications service obligations (TSO)
 - methodology for allocating the Telecommunications Development Levy (TDL) across telecommunications service providers and consumers
 - Retail Service Quality (RSQ) regulation (Part 7 of the Act)
 - Fibre Fixed Line Access (FFLA) services regulation (Part 6 of the Act)
 - Fibre service regulations (Part 4AA of the Act), noting that the vertical separation of wholesale and retail fibre services is out of scope.



Note: this review is separate from the Commerce Commission's copper services investigation (draft decision to deregulate) and the Input Methodologies review.