



PENTANET

Perth Powered Internet

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# ABOUT US



## OUR VISION

To build a market leading telecommunications network, that utilises cutting-edge technologies with an emphasis on speed, quality and local support.



## WHAT WE DO

Pentanet is a licensed telecommunications carrier based in Perth, passionate about faster internet and outstanding customer service.

Over the last three years Pentanet has built the largest fixed-wireless (FW) telecommunications network across the Perth metro area.

Having connected dark fibre to our towers, Pentanet has enough capacity for next generation applications, including 5G.



**NEXT-GEN CAPABLE NETWORK**



**MARKET LEADING BRAND**



**PERTH-BASED LOCAL TEAM**



**OVER 200% YEAR ON YEAR  
SUBSCRIBER GROWTH (FY 19 & FY 20)**



**ESPORTS AND GAMING PRESENCE**

# GROWTH STRATEGY



## 1. GROW SUBSCRIBER BASE



- Introduce new technology to increase on-net network coverage
- Deliver high-quality customer experience
  - Limit churn
  - Customers become advocates
- Competitive service offering
- Targeted marketing and media strategy

## 2. EXPAND NETWORK TO EXPAND POTENTIAL MARKET



- Australian-first deployment of wireless technology developed by Facebook
- Increase available speeds to 1Gbps for more fixed-wireless customers
- Line of sight to tower no longer required.
- Increase market penetration with greater fixed-wireless coverage across Perth metro area.

## 3. INCREASE MARGINS



- Migrate off-net customers to on-net services
  - Off-net GP = 4%
  - On-net GP = 68%
- Diversify product offering (VOIP, 4G backup)
- Exclusive NVIDIA GeForce NOW partner to bring cloud gaming platform to Australia

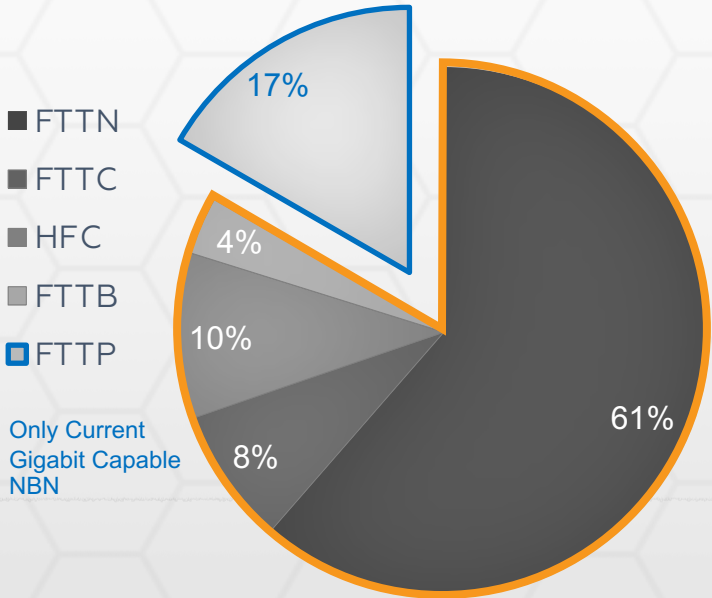
# ADDRESSABLE MARKET

Pentanet is focused on capturing part of this revenue by providing internet services to residential and commercial customers in Western Australia. The current addressable market in WA includes approximately 859,700 residential households and 225,014 commercial users.



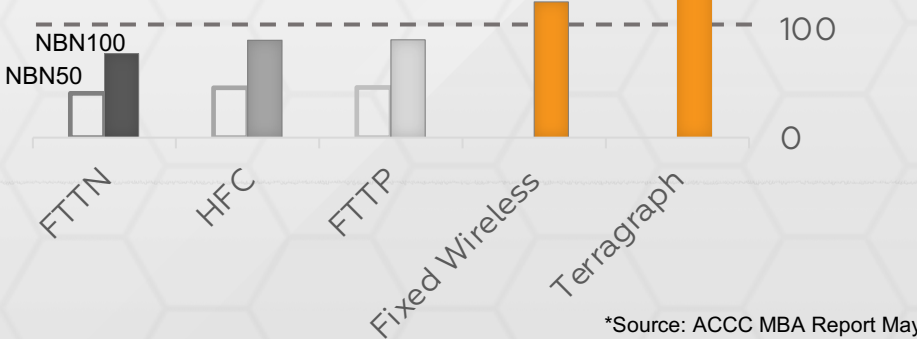
Next-generation wireless will enable a lower-cost gigabit alternative to NBN fibre with rapid deployment

NBN BY SERVICE TYPE



Only Current Gigabit Capable NBN

NETWORK AVERAGE SPEEDS BY PLAN TYPE



\*Source: ACCC MBA Report May 2020



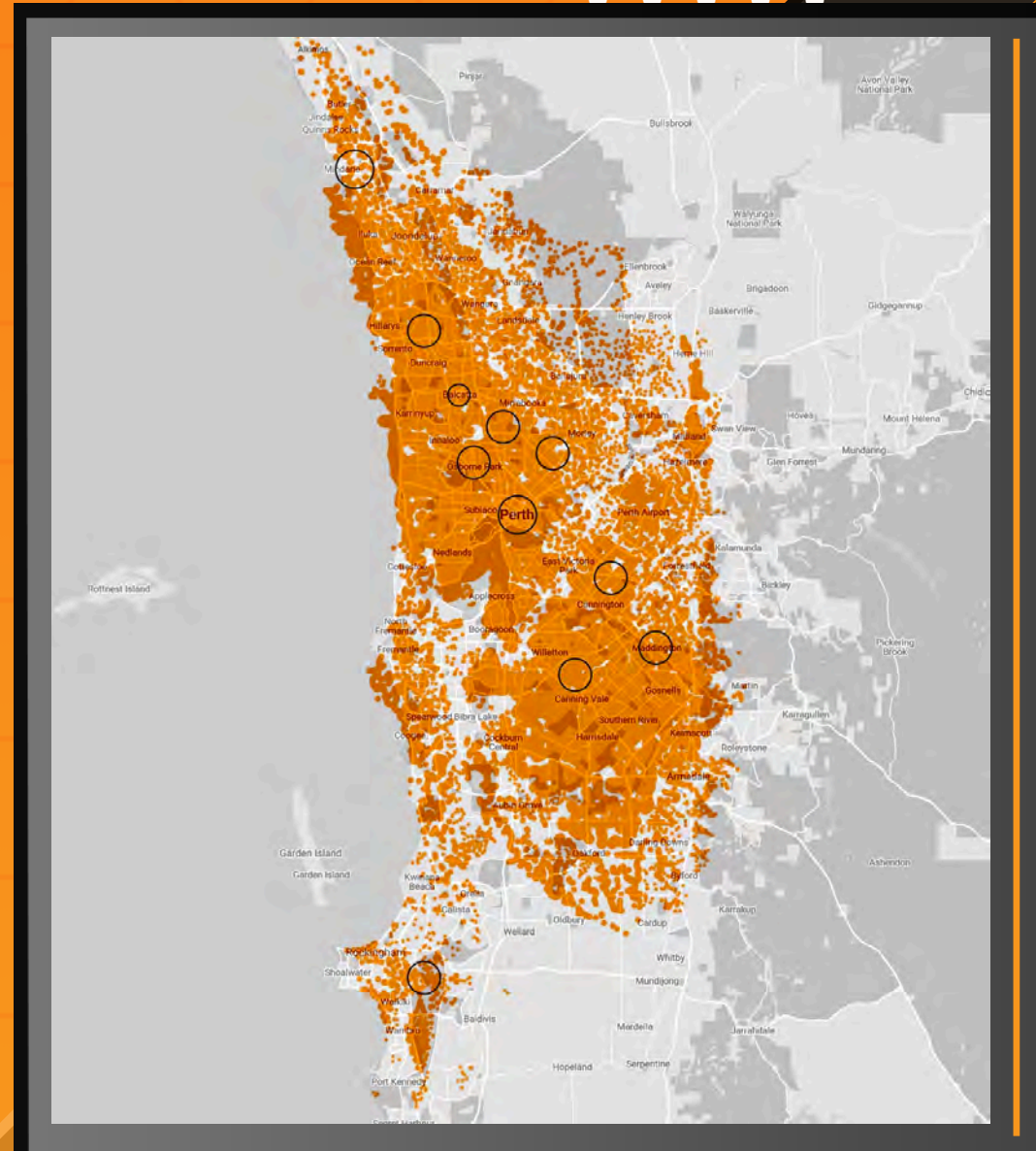
# TELECOMMUNICATIONS NETWORK



## EXISTING INFRASTRUCTURE

APPROXIMATELY 300KM OF DARK FIBRE OPTICS:

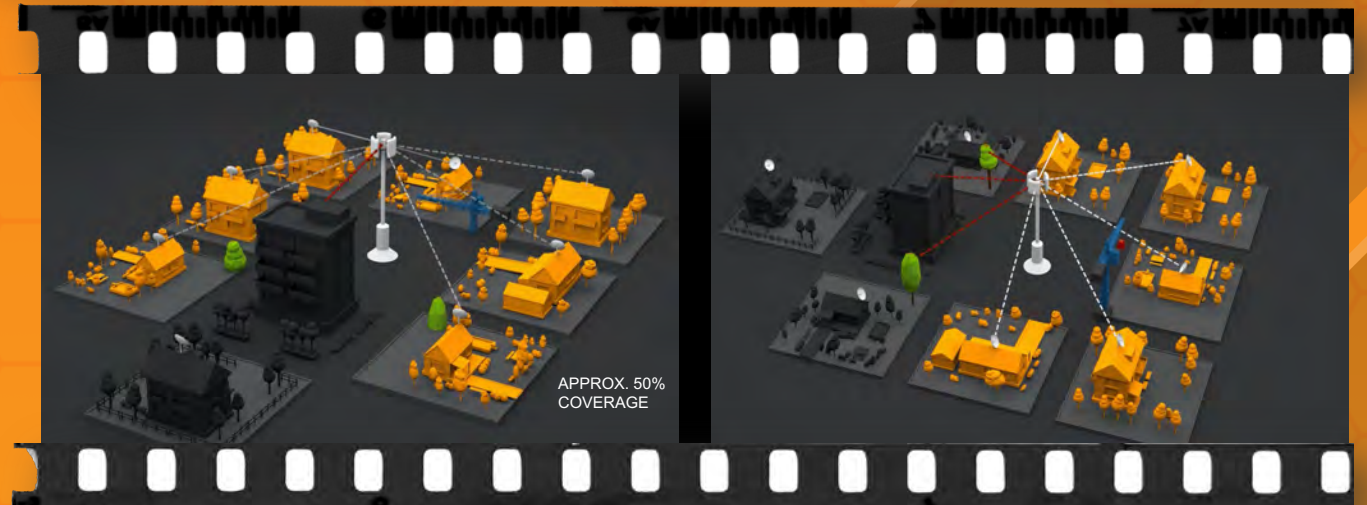
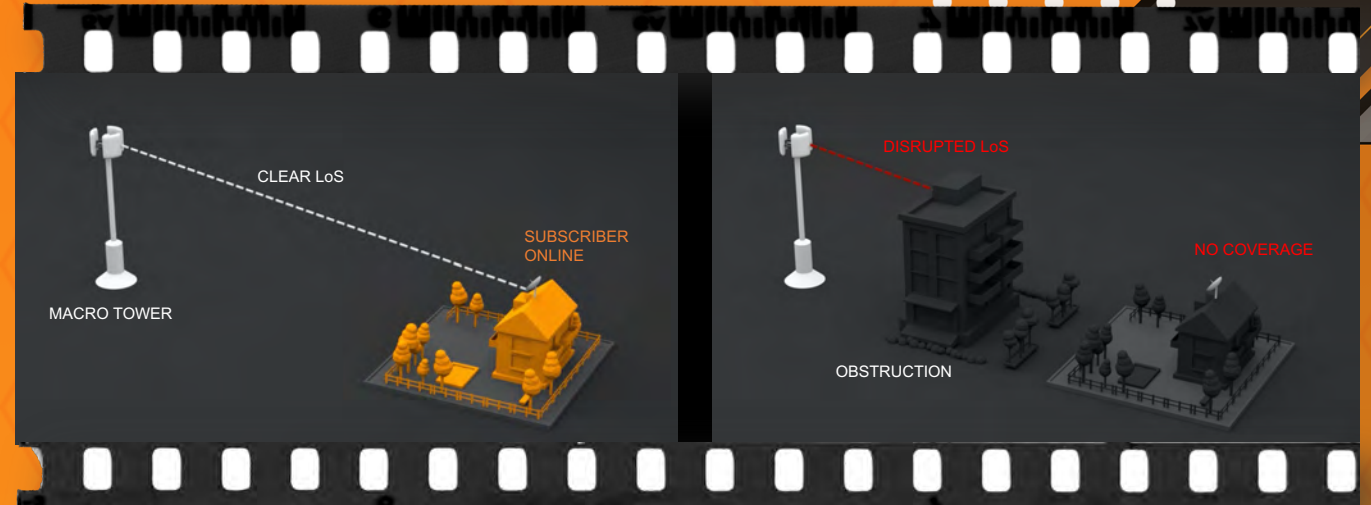
- \$5m+ INVESTED INTO FIXED WIRELESS INFRASTRUCTURE
- 40 OPERATIONAL TOWERS
- CURRENT FIXED WIRELESS INVESTMENT GIVES COVERAGE ACROSS PERTH METRO AREA, WITH LoS (line of sight) TO APPROX 32% OF ADDRESSES
- OVER 8,800 AS AT OCTOBER 2020
- CAPACITY AT EACH NBN POI (point of interconnect) IN WA TO SUPPORT OUR NBN RETAIL OFFERING



# FIXED WIRELESS OPERATION



- SUBSCRIBERS CURRENTLY CONNECT TO 'MACRO TOWERS' WITHIN LINE OF SIGHT (LoS)
- CURRENT FIXED WIRELESS INVESTMENT COVERS APPROX \*~32% OF HOMES IN THE PERTH METRO AREA



\* Based on service qualification data



# WIRELESS NETWORK EVOLUTION



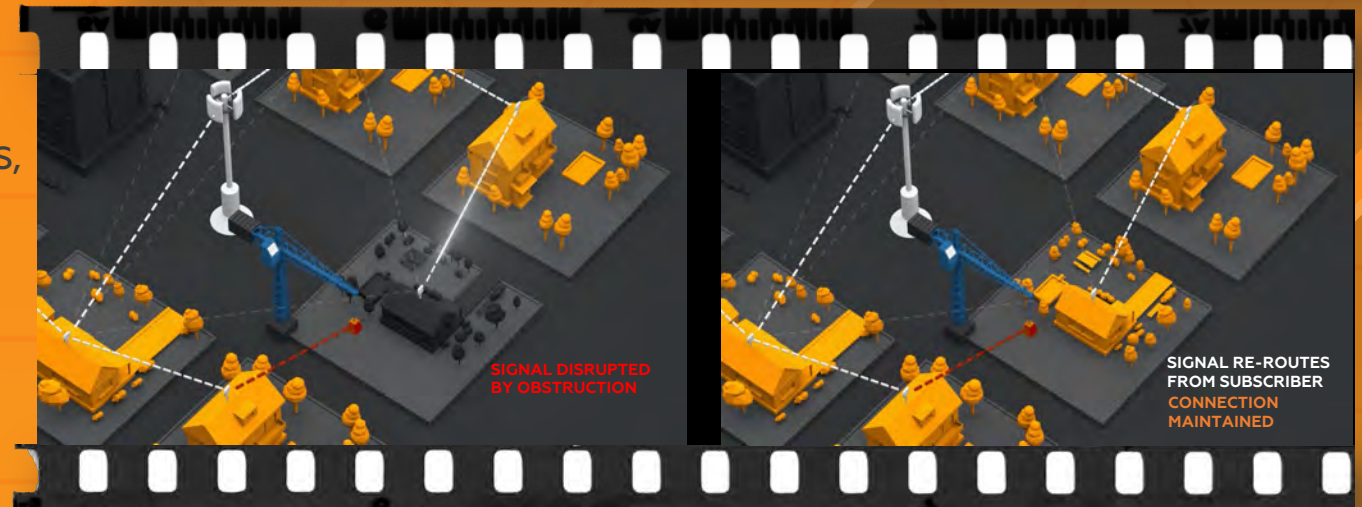
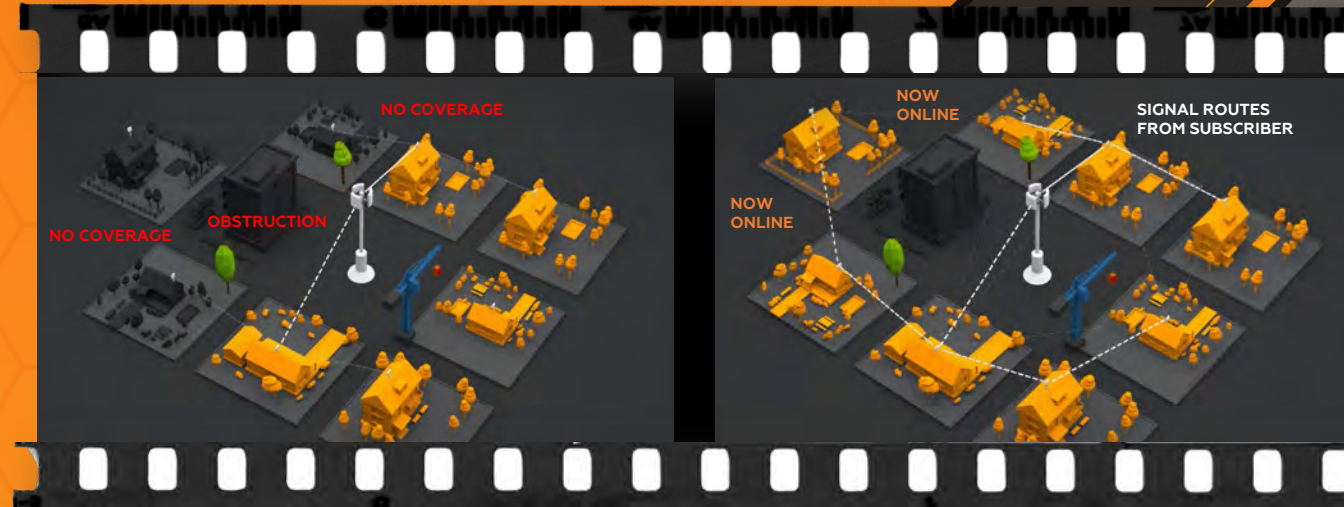
- FIRST DEPLOYMENT OF THIS NEXT-GENERATION WIRELESS TECHNOLOGY IN AUSTRALIA
- COST-EFFECTIVE SOLUTION WITH FASTER SPEEDS
- SIGNIFICANTLY LOWER CAPITAL COST (COMPARED TO NBN FIBRE)
- MULTIPLIES COVERAGE MATERIALLY

EACH SUBSCRIBER FORMS PART OF THE EXPANDING NETWORK CAPACITY

- SUBSCRIBERS NO LONGER NEED TO SEE MACRO TOWERS, ONLY OTHER SUBSCRIBERS
- INCREASES AVAILABLE SPEEDS 5-10X USING 5G MILLIMETER WAVE TECHNOLOGY
- LOWERS LATENCY OF NETWORK



"Terragraph allows you to efficiently extend the reach of your existing fibre network wirelessly throughout dense urban/suburban environments providing your customers reliable internet" – Jay Parikh Head of Engineering and Infrastructure, Facebook





# NEXT-GEN WIRELESS NETWORK CAPACITY



FY 2021/22

CAPEX	\$10.5m including CPE installations
Cash flow can fund additional 5G capacity	





# POWERING THE NETWORK



DARK FIBRE BACKHAULS HAVE BEEN RUN TO  
KEY FIXED WIRELESS TOWERS, CREATING  
SELF-HEALING RINGS BACK TO DATA CENTRES



SECURED LONG TERM LEASES AND LICENSES  
WITH STRATEGIC PARTNERS ON THE BEST KEY  
TOWER SITES





# MARKET LEADING BRAND



## BRAND MARKET RESEARCH:

- 2019/20 MAJOR MARKETING CAMPAIGN DOUBLED PROMPTED AWARENESS
- 65% OF RESPONDENTS FEELING MORE POSITIVE TOWARDS PENTANET FOLLOWING THE CAMPAIGN



4.6



Google

4.4



facebook

4.4



PRODUCT REVIEW  
.COM.AU

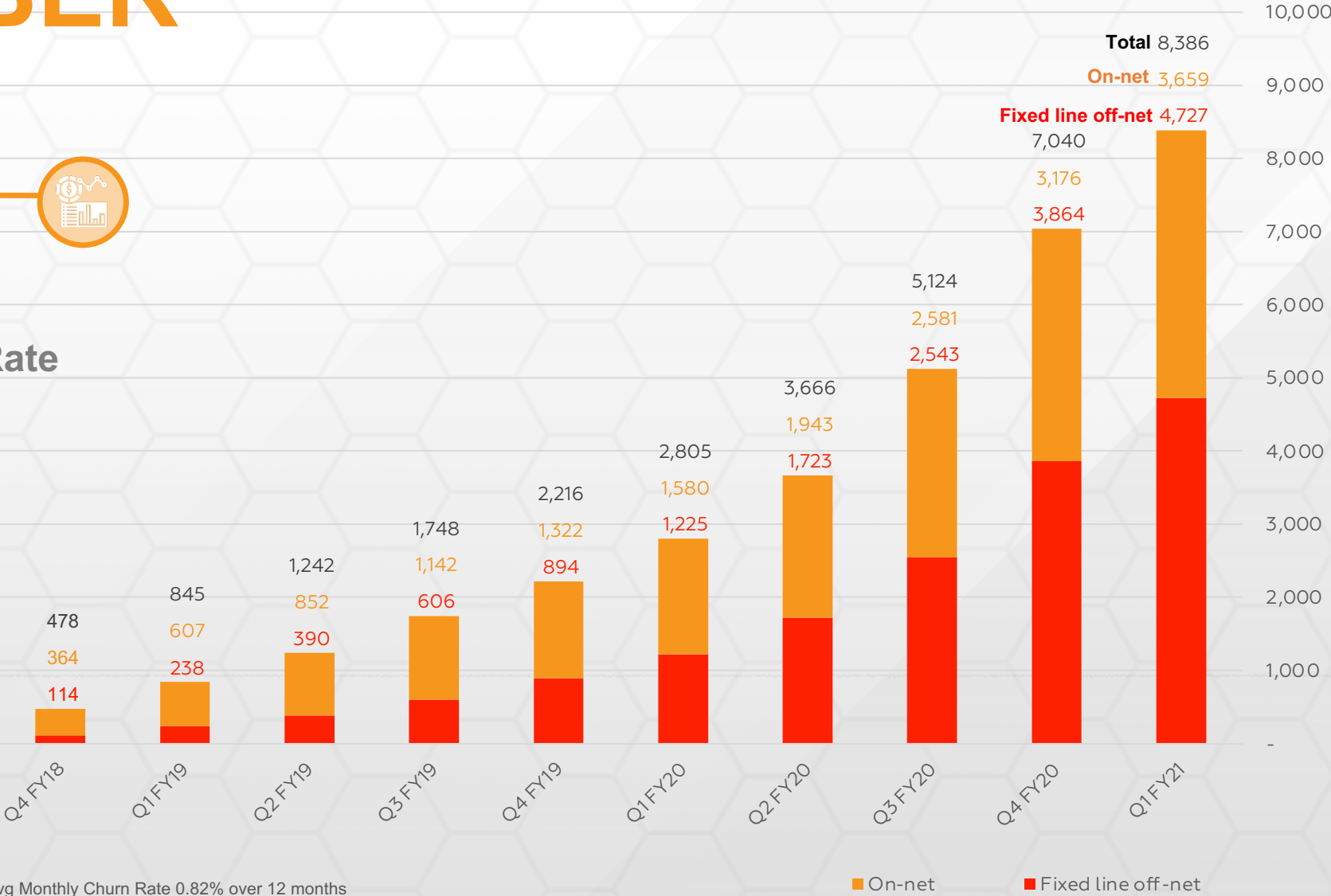


# SUBSCRIBER GROWTH



## Compound Annual Growth Rate

**FY19 364%**  
**FY20 218%**



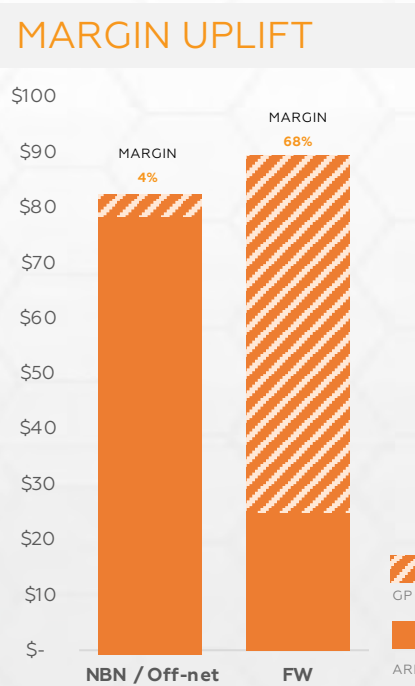
Avg Monthly Churn Rate 0.82% over 12 months

# TELECOMMUNICATIONS FINANCIALS



## JUNE 2020 (Audited)

FIXED WIRELESS	
Customers	3136
ARPU	\$87
GP	68%
NBN/OFF-NET	
Customers	3904
ARPU	\$81
GP	4%



ARPU - Average revenue per user  
GP - Gross profit

## INCOME STATEMENT

	2019	2020
	\$	\$
Revenue	1,777,816	5,097,034
Expenses	3,436,546	9,022,313
EBITDA <sup>1</sup>	(1,658,730)	(3,925,279)

EBITDA is calculated by adding back depreciation, amortization, impairment expenses and finance costs to the stated Net Loss.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 JUNE 2020
	\$
Total Assets	7,598,989
Total Liabilities	6,085,285
Net Assets	1,513,704
Equity	
Share Capital	8,138,873
Accumulated Losses	(7,733,072)
Reserves	1,107,903
<b>Total Equity</b>	<b>1,513,704</b>

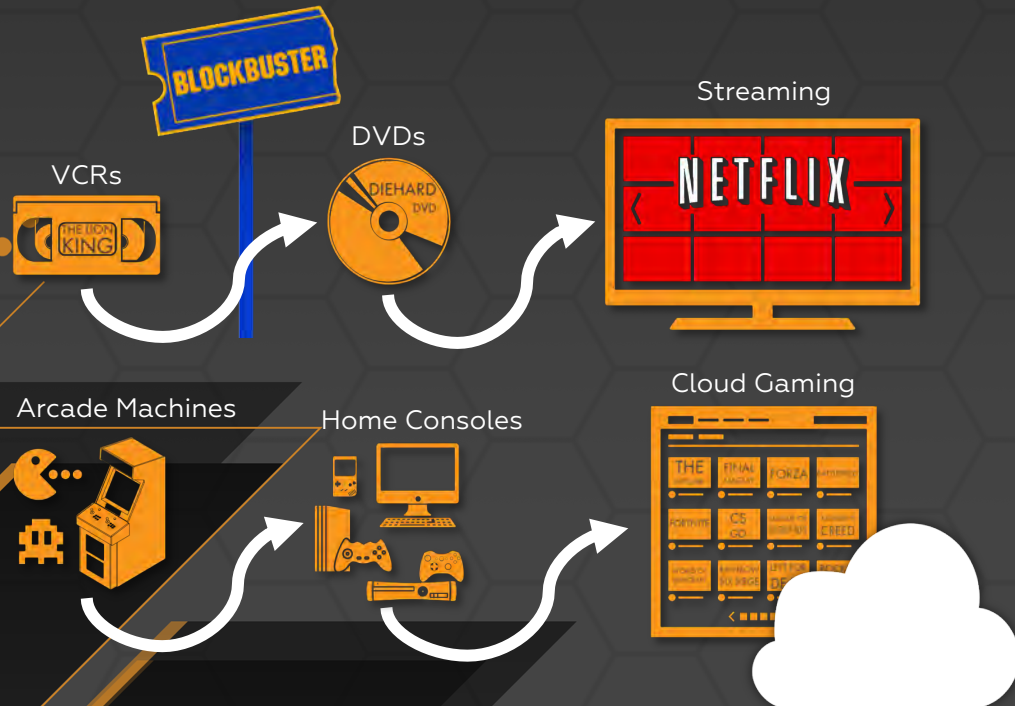
# CLOUD.GG



"Neither Redbox nor Netflix are even on the radar screen in terms of competition"

-Jim Keyes, Blockbuster CEO, 2008

## CONVENIENCE CHANGES MARKETS



NO  
DOWNLOADS



MULTI  
PLATFORM



AUTO  
UPDATES



UNLIMITED  
STORAGE





## CLOUD GAMING

PENTANET HAS A PARTNERSHIP WITH NVIDIA CORPORATION, TO BECOME THE ONLY GEFORCE NOW CLOUD GAMING ALLIANCE PARTNER IN AUSTRALIA

TOTAL AUS GAMING INDUSTRY VALUE<sup>1</sup>

**\$3.6b**

TOTAL AUS GAMERS<sup>2</sup>

**15.6m**

12.8m PC Gamers  
10.9m Mobile Gamers  
10.1m Console Gamers

<sup>1</sup>Source – ACMA Communications Report 2018-19

<sup>2</sup>Source - IGEA 2018 Digital Australia Report



No more upgrades,  
no more updates

# IPO DETAILS (@ \$0.25)

## CAPITAL STRUCTURE

SHARES ON ISSUE <sup>1</sup>	173,169,935
SHARES ISSUED AT IPO	90,000,000
SHARES ON ISSUE POST IPO	263,169,935
OPTIONS ON ISSUE <sup>2</sup>	34,460,000
SHARES ON ISSUE (DILUTED) POST IPO	297,629,935

## VALUATION STATISTICS

IPO OFFER PRICE	\$0.25
IPO GROSS PROCEEDS	\$22,460,000
Market Capitalisation at IPO Offer Price <sup>3</sup>	\$65,752,484
PRO-FORMA NET CASH <sup>4</sup>	\$23,053,059
Enterprise Value at IPO Price <sup>3</sup>	\$41,876,115

## USE OF FUNDS

Telecommunications infrastructure	\$10.5m
NVIDIA cloud gaming infrastructure	\$4.0m
Working capital and cost of offer	\$8.0m
TOTAL IPO PROCEEDS	\$22.5m

Note 1. Includes 23,387,509 Shares issued upon the conversion of April 2020 Convertible Note (and accrued interest)

Includes 6,256,427 Shares issued upon exercise of all the Options attached to the April 2020 Convertible Notes

Note 2. 3,850,000 Options exercisable at \$0.13 each on or before 30 June 2021 and otherwise on the terms and conditions set out in Section 8.2;

1,000,000 Options exercisable at \$0.13 each on or before 28 February 2022 and otherwise on the terms and conditions set out in Section 8.3;

9,870,000 Incentive Options @ 20% of IPO Offer Price, expiry 30 June 2024 to Directors, Key Management and Employees

9,870,000 Incentive Options @ 47% of IPO Offer Price, expiry 30 June 2024 to Directors, Key Management and Employees

9,870,000 Incentive Options @ 100% of IPO Offer Price, expiry 30 June 2024 to Directors, Key Management and Employees

1,560,000 of the above-mentioned Options will be part of the Employee Offer under the Prospectus

Note 3. Undiluted

Note 4. Includes IPO Gross Proceeds and the proceeds from the exercise of approximately 9.8m Options @ \$0.13 (including the Options attached to the April 2020 Convertible Note), plus cash on hand as at 30 June 2020, less Underwriting fees

# 5GG/GTaaS Econosphere



## NETWORK INVESTMENT

1. Fixed Wireless Network
2. Scalable with next-generation gigabit wireless evolution
3. Superior product offering

## ARPU GROWTH

- Cloud Gaming
- Higher speed tier plans

## MARGIN GROWTH

- Increasing revenue on fixed network costs
- Migration of NBN subscribers to on-net



## RECURRING REVENUE STREAMS

1. Internet services
2. Cloud based services

## SUBSCRIBER ACQUISITION

- High Brand Recognition
- High Quality Broadband Network
- First to market Cloud Gaming

## SUBSCRIBER GROWTH

- Network and services offering drives subscriber growth

## VERTICALS



# 5G

Telecommunications

## POWERS

Cloud.GG

## INCREASES

Subscribers

## ENABLES

Esports

## & GENERATES

User Intelligence



# BOARD



## Stephen Cornish

FOUNDER AND MD

Mechanical Engineer with strong leadership, technical and business development skills.

Founder of Pentanet, Pentanet.GG and actively championing the digitisation of Perth as the next global esports destination.



## Timothy Cornish

EXECUTIVE DIRECTOR

Chartered Accountant with 20 years domestic and international business expertise in Asia-Pacific and South American engineering and mining service industries.

Bachelor of Commerce (UWA)  
Graduate Diploma of Chartered Accounting (CA ANZ)



## David Buckingham

NON-EXECUTIVE CHAIR

Corporate leader with 30 years of experience in telecommunications, media, technology, IT and education.

Navitas Limited – CEO/ CFO (ASX:NVT)  
iiNet – CEO/CFO (ASX:IIN)  
Bachelor of Technology (Hons) (LUT)  
ACA Chartered Accountant



## Craig Amos

NON-EXECUTIVE DIRECTOR

Chartered Accountant with over 20 years experience in finance, strategy, M&A and commercial projects.

Decmil - CFO (ASX:DCG) to December 2019.  
Current Velrada - CFO  
Curtin University School of Accounting, Board Member  
Bachelor of Commerce (Hons)  
Graduate Diploma in Applied Finance



## Dalton Gooding

NON-EXECUTIVE DIRECTOR

40 years experience in business accounting, taxation, due diligence and feasibility advisory.

Katana Capital - Chairman (ASX:KAT).  
Board member - RAC WA.  
Founding Partner - Gooding Partners  
Fellow of the Institute of Chartered Accountants Australia & New Zealand (CA ANZ)

# ADVISORY



**Mart-Marie Derman**

CHIEF FINANCIAL OFFICER

Mart-Marie Derman has been with Pentanet since its infancy bringing significant financial acumen. 15 years in finance roles including senior management and executive support.

Bachelor of Accounting Science  
Graduate Diploma of Chartered Accounting (CA ANZ)



**Patrick Holywell**

COMPANY SECRETARY

15 years of experience in finance, accounting and corporate governance. Has held director, CFO and Company secretarial roles particularly in the resources and technology space.

Fellow of Governance Institute of Australia  
Graduate Diploma of Chartered Accounting (CA ANZ)  
Company Directors Course (AICD)



**Clive Bingwa**

EXECUTIVE CONSULTANT -  
MARKETING

Managing Director,  
Channel 9 Perth.



**Andrew Milner**

EXECUTIVE CONSULTANT -  
BUSINESS SCALING

Chairman - Cirrus Networks (ASX:CNW).  
Wantree - Founder (acquired by iiNet at IPO).  
iiNet - Executive Director 2000-2008 (ASX:IIN)



**Peter Curulli**

GENERAL MANAGER -  
PENTANET.GG | GOA

MD: Game On Australia (GOA), Industry Icon. Mix94.5 FM Perth radio breakfast show host, podcaster, Esports advocate.



**Joe Wooller**

EXECUTIVE CONSULTANT  
TRANSMISSION NETWORK

Industry icon. Designed and built the largest internet exchange in Australia.