PENTANET

5GG INVESTOR UPDATE

Q3FY24

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Quick Recap of What We Do

TELECOMMUNICATIONS

- Private high-speed wireless network across Perth
- Multiple wireless technologies are used to connect users, including our licensed 5G
- Users on our wireless network are high-margin 'on-net' services and have a higher upfront CAPEX cost to the business
- Pentanet also connects users via the nbn and Opticomm networks, where our wireless coverage is unavailable
- nbn and Opticomm users are 'off-net' services with lower margin, but lower cost to connect

CLOUD GAMING

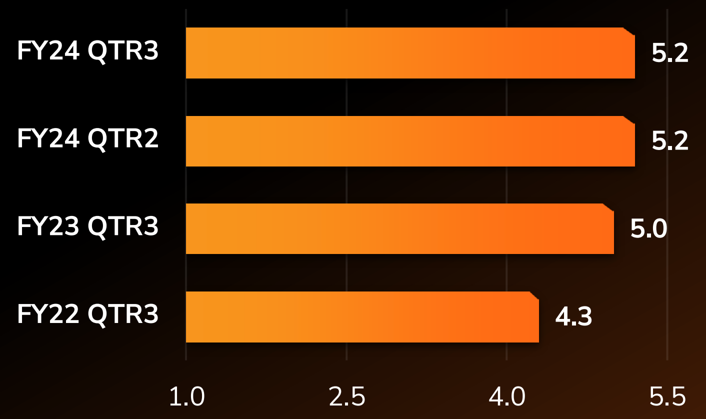
- NVIDIA Alliance Partner for GeForce NOW (GFN) cloud gaming in Australia & New Zealand
- GFN instantly transforms nearly any laptop, desktop, smartphone or smart TV into a high-performance gaming rig, democratising gaming for the masses.
- 560,000+ members across Australia and New Zealand
- The service can currently be accessed for free, while we increase market awareness of cloud gaming in our adoption phase
- Users convert to paid premium plans to become revenue generating
- Infrastructure is in place to support significantly more paid users
- Pentanet has joined the NVIDIA global Graphics Delivery Network (GDN) to introduce new enterprise revenue streams to our existing infrastructure

SOFTWARE

- CloudGG – user management platform for NVIDIA GeForce NOW
- Enterprise Application Software currently named Mission Control (MC-CRM) that provides an end-to-end solution for operating a next-gen wireless network.

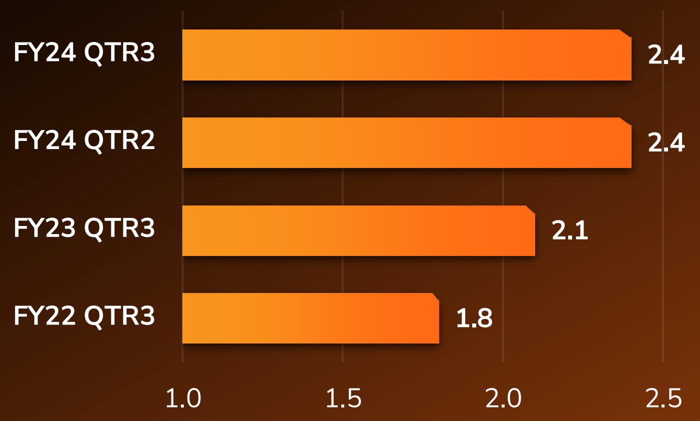
Q3 Consolidated Financial Update

REVENUE $'M



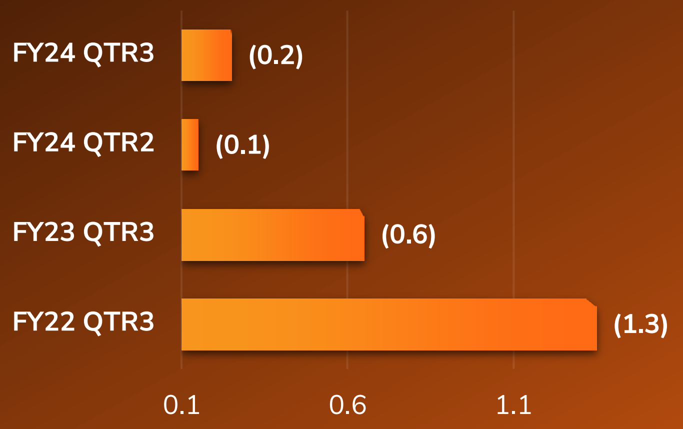
- Consolidated revenue up by 4% on PcP to $5.2m
- nbn plan prices were aligned to current competitive market conditions, resulting in -2% QoQ Telecommunications revenue decline. However off-net growth is returning, with decreased churn
- Cloud gaming revenue continued to grow, up 15% QoQ and 113% PcP, in line with new paid memberships

GROSS PROFIT $'M



- Consolidated gross profit remained at $2.4m, up 12% PcP
- Gross margin at 46%, up 8% PcP
- Telecommunications segment gross profit held at $2.3 million, with gross margin of 48%
- Cloud gaming gross profit up 31% QoQ to $0.12m, with gross margin increasing from 20% to 24% due to increasingly optimised operating costs

EBITDA $'M (PcP)



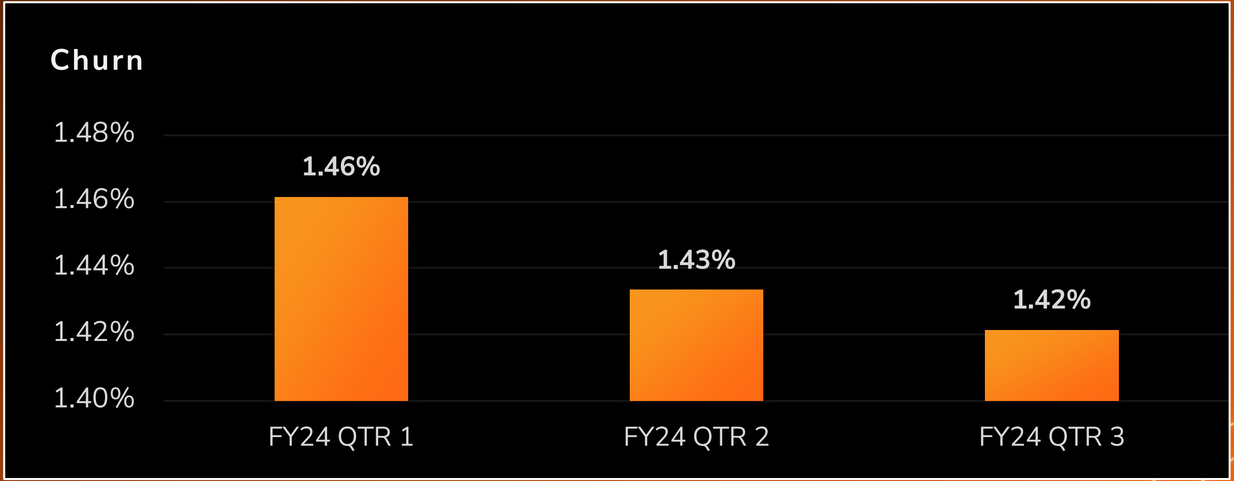
- Telecommunications and gaming segments remained at EBITDA breakeven for the third quarter.
- Overhead costs decreased 5% QoQ to $2.7m, with marginal reductions in employee-related costs and general overheads.

Telecommunications Update

KEY METRICS

- Q3FY24 closed with a total of 17,120 subscribers
- On-net customers constitute 40% of total subscribers
- Churn rate decreased to 1.42% by end Q3
- Strategies in place to further decrease churn, with retention initiatives and new pricing strategies
- Pentanet was able to join the nbn Fibre Connect program from 1 Jan 2024
- Fibre Connect program increased gross off-net subscribers by 53% QoQ, with growth expected to continue through Q4
- Blended ARPU decreased to $92 (Q2FY24: $93)
- On-net ARPU increased to $89 (Q2FY24: $87)
- On-net margin remained stable at 90%
- Off-net growth returned Q3FY24
- Off-net margin decreased to 19% (Q2FY24: 21%) with new nbn® SAU pricing
- Our 5G services are proving to be our most competitive on-net offering in-market for speed, service, and pace to deploy

	Q2FY24	Q3FY24	Q2FY24	Q3FY24	Q2FY24	Q3FY24
Subscribers	ON-NET		OFF-NET		TOTAL	
Opening Balance	6,762	6,882	10,364	10,218	17,126	17,100
Gross New Subscribers	375	237	335	513	710	750
Churn	(255)	(290)	(481)	(440)	(736)	(730)
Average Monthly Churn	1.26%	1.46%	1.56%	1.43%	1.43%	1.42%
Closing Balance	6,882	6,829	10,218	10,291	17,100	17,120



Telecommunications Strategy for next 6-12 months

OVERALL, WHAT ARE THE CHALLENGES?

- Top line revenue has been flat due to gross growth being offset by churn
- Increased competitive landscape from nbn Fibre Connect upgrade program
- Multiple telco products requiring focus in the business

WHAT'S BEEN WORKED ON & IDENTIFIED?

- nbn (off-net) plans pricing have been brought in line with competitive landscape
- Pentanet joined the Fibre Connect program at the beginning of Q3
- Our 5G services are proving to be our most competitive on-net offering in-market for speed, service, and pace to deploy
- Identified areas for optimisation and improvement in the customer journey that can reduce churn and increase word of mouth referrals

WHAT'S OUR IMMEDIATE PLAN?

- Reigniting top-line telco revenue growth is the highest immediate priority
- Re-elevate our brand in market
- Sharpen internal telco resources to focus specifically on 5G (on-net) subscriber growth
- Increase 5G coverage using vendor financing
- Remain in-market and competitive with lower acquisition cost off-net services to improve top-line growth
- Improvement of customer experience journey to target reduction of churn to below 1.2%

Now, Let's Recap our NVIDIA business.

- GeForce NOW cloud gaming instantly transforms nearly any laptop, desktop, smartphone or smart TV into a high-performance gaming rig, allowing our users to play games without the need for any expensive gaming hardware.
- When we began, our offering consisted of 'Gen2' Nvidia GeForce NOW cloud gaming, that only supported 1080p resolution at 60FPS, in an unknown Australian market.
- With technology improvements our offering is now able to support 1080, 1440, and 4K resolution cloud gaming at high refresh rates, servicing Australia and New Zealand.
- Our available plans can now graphically surpass the capability of most home gaming computers.
- The known market size today is over 560,000 users within our CloudGG userbase, which increases daily.
- We currently allow free access to play on the platform while we adopt market awareness to the power of the technology.
- We anticipate that our user demographic will be shifting to afford a premium Cloud Gaming service over time.

Here’s how we’re also evolving:

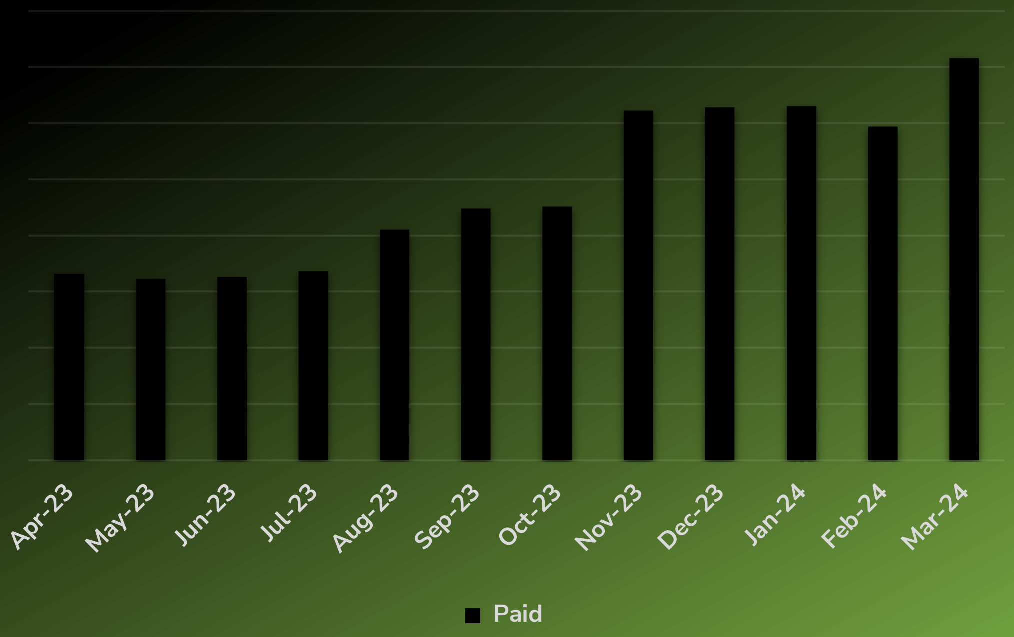
- **NVIDIA Graphics Delivery Network**
  We have worked with NVIDIA to join their Graphics Delivery Network (GDN), which enhances our computing capabilities beyond gaming, introducing enterprise opportunities from new emerging markets.
- **Capabilities Expansion**
  Suitable for intensive rendering tasks, supports applications such as digital twins, photorealistic 3D models, high-resolution augmented reality wearables, and interactive 3D experiences.
- **Market Expansion**
  Extends Pentanet’s operational scope beyond GeForce NOW cloud gaming into new industrial and commercial markets, potentially diversifying revenue streams and positioning Pentanet within the supply ecosystem of a growing industry.

Cloud Gaming (GeForce NOW)

KEY METRICS

- EBITDA+ maintained in Q3FY24
- ARPU remained consistent at $13
- Gaming subscription revenue up 15% to $0.5m QoQ
- Gaming subscription gross profit increased 31% QoQ to $0.12m
- CloudGG paid subscriptions increased by 15% QoQ
- CloudGG total membership growth up 11% QoQ to 550,000+

GeForce NOW Monthly Active Paid Users Apr23-Mar24



NVIDIA Graphics Delivery Network (GDN)

Pentanet has worked with NVIDIA to upgrade its Gen 3 cloud infrastructure with NVIDIA L40 GPUs, to bring Pentanet into the NVIDIA Graphics Delivery Network (GDN).

By moving heavy compute tasks to GDN, users can tackle the most demanding rendering use cases, no matter the size or complexity of the dataset.[1]

GDN

- Available in over 100+ regions
- Taps NVIDIA's global cloud-to-edge streaming infrastructure to deliver smooth, high-fidelity, interactive experiences
- Powered by the NVIDIA Ada Lovelace architecture
- Delivers revolutionary neural graphics, virtualisation, and compute capabilities for GPU-accelerated data centre workloads
- Up to twice the real-time ray-tracing performance of the previous generation to accelerate high-fidelity creative workflows[2], including real-time, full-fidelity, interactive rendering, 3D design, video streaming, and virtual production

"Joining the NVIDIA global Graphics Delivery Network will open a pathway to new commercial opportunities beyond gaming. The L40 GPU infrastructure brings the most advanced NVIDIA RTX capabilities to help power next-generation graphics and 3D interactive experiences."

Stephen Cornish, Pentanet Managing Director

NVIDIA Graphics Delivery Network (GDN)
Commercial & Enterprise Application Examples

Digital Twins

A digital twin is a virtual representation (a true-to-reality simulation of physics and materials) of a real-world physical asset or system, which is continuously updated.

Simulations can be run within the virtualisations to test for problems and seek improvements through service updates.

Example industries: mining, manufacturing, industrial, automotive, energy, science & research

Nissan interactive car digital twin on Apple Vision Pro

An interactive, physically accurate digital twin of a car streamed in full fidelity to Apple Vision Pro's high-resolution displays.

A demo at the *GTC AI Conference* featured a designer wearing the Vision Pro, using a car configurator application developed by CGI studio Katana on the Omniverse platform. The designer toggles through paint and trim options and even enters the vehicle — leveraging the power of spatial computing by blending 3D photorealistic environments with the physical world.

Production and factory digital twin

In operation, the digital twin technology can help production rapidly test new layouts to accommodate new processes or improve operations in the existing space and monitor real-time operations using live IoT data from every machine on a production line.

More use cases for GDN will emerge as companies realise how these systems can add unique value to their field.

Source: NVIDIA GTC Keynote, March 2024, YouTube

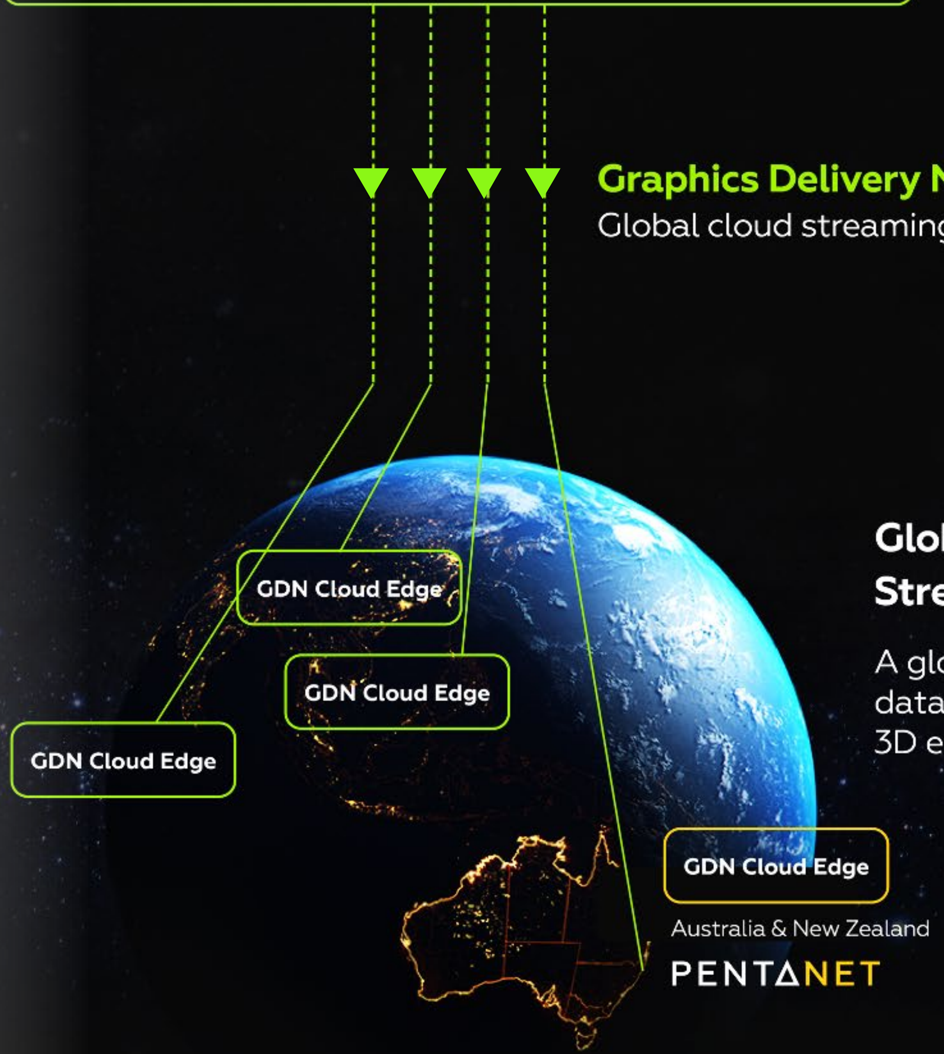
Think of us as becoming a part of the global cloud network, generating the real-time graphics rendering for our region.

NVIDIA Omniverse Cloud

A platform of APIs, SDKs, and services available within a full-stack cloud environment for enterprise developers to build advanced 3D applications.

Graphics Delivery Network (GDN)

Global cloud streaming network



Global Cloud Streaming Infastructure

A global network of graphics-ready data centres that can stream advanced 3D experiences in 100+ regions

Forward-Looking Strategy with our NVIDIA Business

GeForce NOW

- Increase marketing and awareness to the NVIDIA GeForce NOW platform
- Continue the free trial adoption model to continually add user scale
- Introduction of Ad's for the free users while in queue
- Encourage an increased level of adoption to premium plans over time with a wider array of plans and passes
- Encourage users toward higher ARPU plans
- Optimise capacity and oversubscription with our scaled infrastructure deployment, increasing margins

GDN

- Take advantage of global GDN opportunities brought to us from NVIDIA
- Create a dedicated sales resource to build direct NVIDIA GDN Enterprise opportunities in our national market

In Summary

Cash position:
Ended the quarter with a cash balance of $9.5 million and available financing facilities of $9 million for 5G growth

Telecommunications infrastructure:
comprises 57 towers, 16% of which are 5G enabled

Telecommunications segment:
$33m in assets generating $19 million in annualised revenue with capacity to support growth

Gaming servers:
$11m invested in gaming servers, supporting $2m in annualised revenue with strong QoQ growth and substantial capacity for increasing in revenue

Evolving market opportunities with NVIDIA to increase revenue to existing infrastructure

Extract Half-Year Financial Statements	31-Dec-23 $'M	Telco $'M	Cloud Gaming $'M
Total Assets	44	33	11
Q3FY24 Revenue		4.7	0.5
Annualised Revenue based on Q3FY24	21	19	2
Cash at bank: 31 March 2024	9.5		

Current Market Cap: ~$20.35m
*As of market close 2/5/24

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