



5GG INVESTOR UPDATE

Q1FY25



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Quick Recap of What We Do



PENTANET

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



**GEFORCE
NOW**

POWERED BY

CLOUDGG

CLOUD GAMING

- NVIDIA Alliance Partner for GeForce NOW (GFN) cloud gaming in Australia and New Zealand
- GFN instantly transforms nearly any laptop, desktop, smartphone, or smart TV into a high-performance gaming rig, democratising gaming for the masses
- 589,000+ 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

MissionControl



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

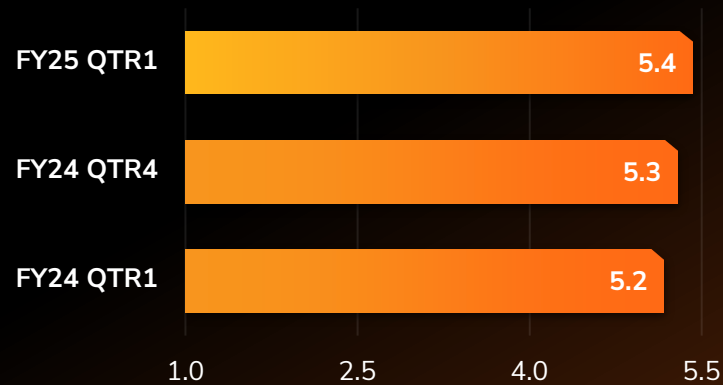
Q1 Highlights

- 5G subscribers up **51%** QoQ to 605 within current 5G footprint
- Negotiated a stock swap of neXus inventory for 5G hardware, in-line with the 5G expansion strategy to double 5G coverage in FY25 with minimal cash impact
- Doubling of 5G network coverage and capacity by end FY25 is underway
- On-net churn down from 1.43% to **1.21%**
- EBITDA loss decreased by **52%** QoQ to \$0.4m ⁽¹⁾
- Gaming revenue growth up **10%** QoQ to \$0.5m
- CloudGG membership growth up **5% QoQ** to over 621,000

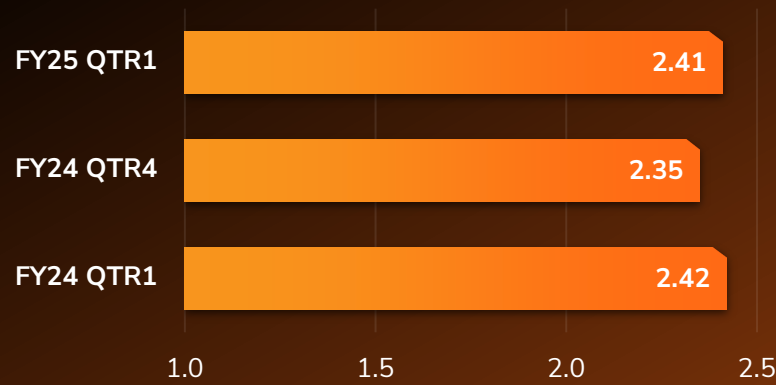
⁽¹⁾ EBITDA is a financial measure which is not prescribed by Australian Accounting Standard ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude share-based payments, options exercised on behalf of employees and IPO cost.

Q1 Consolidated Financial Update

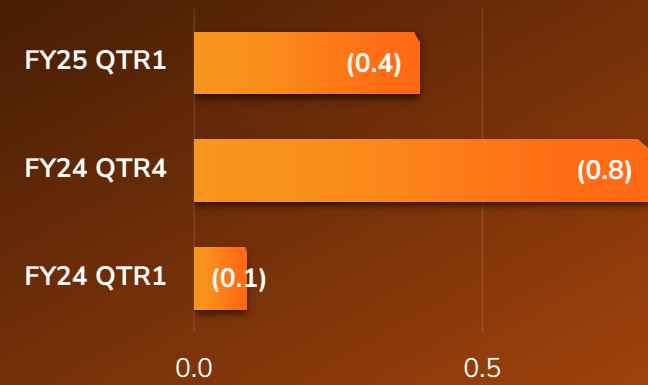
REVENUE \$'M



GROSS PROFIT \$'M



EBITDA \$'M ⁽¹⁾



- Consolidated revenue up 3% QoQ to \$5.4 million
- Recurring revenue at 96% of total revenue, up 3% QoQ due to price adjustments
- Telecommunications revenue up 2% QoQ to \$4.9 million from subscriber growth
- Cloud gaming revenue up 10% QoQ to \$0.5

- Consolidated gross profit up 2% QoQ to \$2.4 million
- Telecommunications gross profit remained at \$2.3 million; gaming gross profit up 56% to \$0.1 million
- Telecommunications margin decreased from 48% to 47% due to higher wholesale costs, offset by price adjustments on lower-tier off-net plans

- Overhead costs down 10% QoQ to \$2.8 million
- EBITDA loss improved 52% QoQ to \$0.4 million, including a one-off \$0.25 million restructuring cost supporting a path to breakeven

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Q1 Cash Flow Breakdown

PENTANET Q1FY25 CASHFLOW	\$'000	ONE-OFF	ONGOING	KEY NOTES
Opening Cash Balance: 1 July 2024	5,302			
EBITDA ⁽¹⁾	(392)	(246)	(146)	Restructure cost to deliver quarterly cost savings of \$375k for rest of FY25
Finance Costs (Network, Leases & Other)	(133)		(133)	
Working Capital Movement	(101)	(149)	48	Delayed supplier bill, paid after contract finalisation.
Net Operating Cash Outflow	(626)	(395)	(231)	
Property, plant & equipment	(676)	(246)	(430)	Funded by Cambium Equipment Swap
Intangible Assets	(1,765)	(1,765)	-	One-off for FY25 5G Spectrum installment. Final payment in FY26
Net cash from / (used in) investing activities	(2,441)	(2,011)	(430)	
Net cash from / (used in) financing activities	(408)	(214)	(194)	Repayment and closure of Westpac Business loan
Net Cash Movement in Q1FY25	(3,475)	(2,620)	(855)	
Closing Cash Balance: 30 September 2024	1,827			\$6.8 million available financing facilities

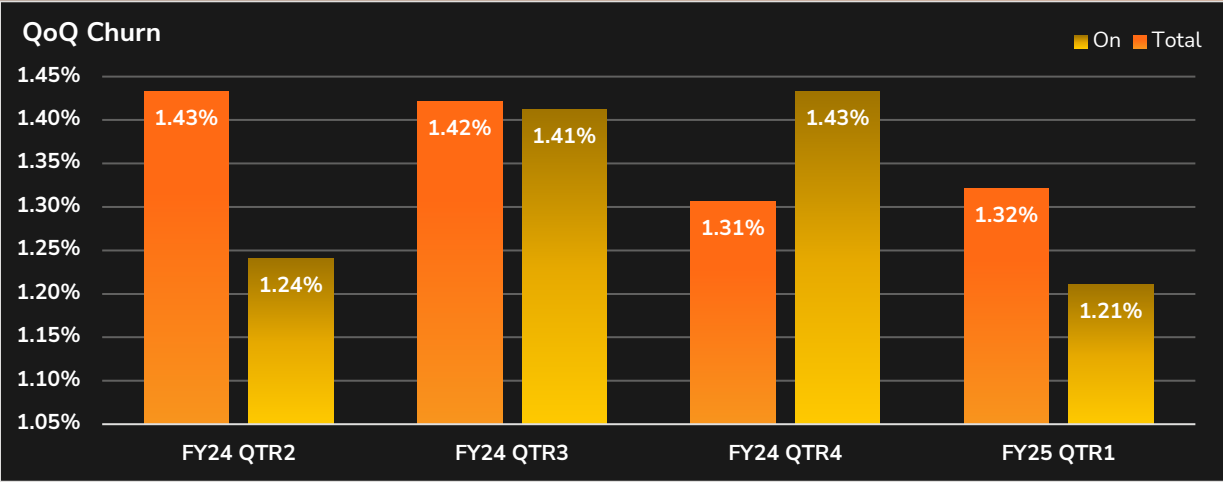
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Telecommunications Update

KEY METRICS

- Pentanet extended promotions in Q1FY25, adding 349 net new subscribers, a 33% increase from Q4FY24
- 5G subscribers up 51% QoQ, from 400 to 605
- Stock swap secured 5G tower equipment and 423 CPE units, supporting 5G expansion with minimal cash impact
- Nine new tower sites identified, 25 BTS to be deployed, adding 5,000 capacity starting from Q2FY25
- Churn increased slightly to 1.32%, with on-net churn improving from 1.43% to 1.21%
- Off-net churn rose from 1.22% to 1.39%, due to price adjustments on lower-speed off-net services
- Blended ARPU stable at \$93, with a shift toward higher-speed plans
- ARRPU increased to \$89, up from \$88 in Q4FY24
- Focus on 5G network expansion and customer retention to support future growth while maintaining cost efficiency

	Q4FY24	Q1FY25	Q4FY24	Q1FY25	Q4FY24	Q1FY25
	ON-NET		OFF-NET		TOTAL	
Opening Balance	6,844	6,794	10,276	10,589	17,120	17,383
Gross New Subscribers	242	394	702	658	944	1,052
Churn	(292)	(252)	(389)	(451)	(681)	(703)
Average Monthly Churn	1.43%	1.21%	1.22%	1.39%	1.31%	1.32%
Closing Balance	6,794	6,936	10,589	10,796	17,383	17,732



Telco Strategy Update

WHAT WE SET OUT TO DO ACROSS Q1

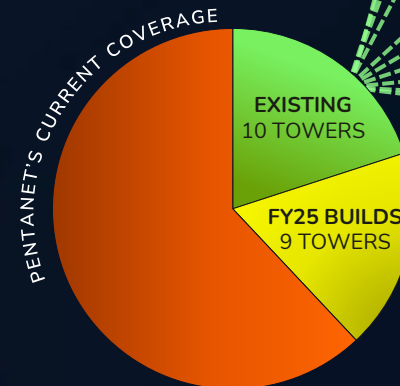
- Maintain growth with a focus on increasing 5G subscribers through extended promotions
- Substitute existing inventory on the balance sheet with 5G hardware
- Restructure the business to focus on 5G expansion, supporting network and on-net subscriber growth while managing cash burn
- Maintain focus on reducing churn

WHAT WAS THE OUTCOME

- Grew 5G subscribers from 400 to 605, a 51% QoQ increase driven by extended promotions
- Restructured division to focus on 5G expansion, delivering \$375k in quarterly cost savings
- Secured 5G expansion equipment via stock swap, reducing capital impact for FY25 and targeting ~50% increase in 5G coverage from new inventory
- Enhanced competitiveness by identifying areas where 5G offers an advantage, supporting on-net growth
- Reduced on-net churn from 1.43% to 1.21%

ONGOING STRATEGY IN FY25

- Focus on 5G network expansion and increasing on-net subscribers with disciplined CapEx and operational efficiencies
- Aim to drive top-line growth and achieve positive EBITDA in the second half of FY25
- Reduce CAC over time through expanded coverage, easing geo-targeted marketing requirements
- Remain competitive with lower acquisition cost off-net services
- Improve customer experience journey to target a reduction in churn to 1.20%



NVIDIA investment recap



GEFORCE NOW POWERED BY CLOUDGG

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 first launched, our offering consisted of 'Gen2' Nvidia GeForce NOW cloud gaming, which only supported 1080p resolution at 60FPS, in an unknown Australian market
- With technology improvements, our offering can now support 1080, 1440, and 4K resolution cloud gaming at high refresh rates, servicing Australia and New Zealand
- Pentanet operates the largest deployment of NVIDIA GPU's in Australia
- Our available plans can now graphically surpass the capability of most home gaming computers
- The known cloud gaming market size is over 621,000 users within our CloudGG userbase and increases daily
- We still 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

OUR NVIDIA BUSINESS CONTINUES TO EVOLVE

NVIDIA Graphic Delivery Network (GDN)

We have integrated NVIDIA's Graphics Delivery Network, expanding our computing capabilities beyond gaming and unlocking new enterprise opportunities in emerging markets.

- **Capabilities expansion:** Ideal for intensive real-time rendering tasks, the GDN supports advanced applications including digital twins, photorealistic 3D models, high-resolution augmented reality wearables, and interactive 3D experiences.
- **Market expansion:** This move broadens Pentanet's operational scope beyond our GeForce NOW cloud gaming service, venturing into new industrial and commercial markets. This expansion can diversify our revenue streams and strategically position Pentanet within the supply ecosystem of a growing industry.

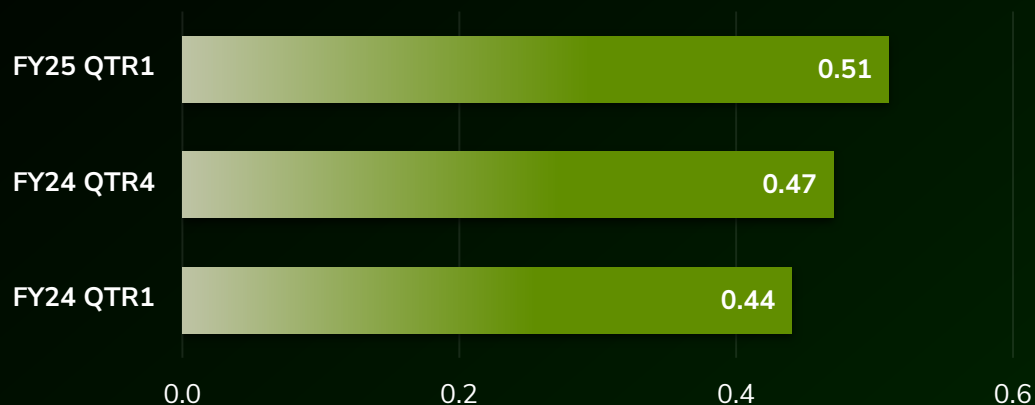
NVIDIA Gaming Update



KEY METRICS

- GeForce NOW (GFN) gaming revenue grew 10% QoQ to \$0.5 million, driven by ad-supported queue revenue and the removal of the Basic plan
- ARPU increased by 7% to \$14 as users shifted to higher-tier plans, aligning with Pentanet's focus on premium memberships
- High-profile releases like Black Myth: Wukong and Space Marine 2 boosted user activity, particularly among Ultimate plan subscribers
- Ultimate members showed consistent playtime growth, supporting the shift over time to higher ARPU plans
- CloudGG membership grew 5% QoQ, now exceeding 621,000+ members

Gaming Revenue \$'m



WHAT WE SET OUT TO DO OVER Q1

- Grow GeForce NOW's gaming revenue by shifting users to higher-tier plans and introduce ad-supported queue revenue
- Increase ARPU and GP by discontinuing the Basic plan, encouraging uptake of premium memberships
- Position Ultimate plans as the preferred option by promoting RTX 4080 infrastructure for high-performance gaming experiences

WHAT WAS THE OUTCOME

- Gaming revenue grew by 10% QoQ to \$0.5 million, driven by ad-supported queue revenue and increased uptake in higher-tier plans
- ARPU increased by 7% to \$14
- CloudGG membership grew by 5% QoQ, now exceeding 621,000 members, supported by ongoing game library expansion

ONGOING STRATEGY IN FY25

- Grow ARPU and revenue as more users shift to Ultimate and higher-tier plans
- Increase monetisation of the user base through higher free to paid conversion incentives
- Leveraging NVIDIA's GDN for potential expansion into industrial and commercial markets, diversifying revenue streams

In Summary

- ✓ **Strong 5G growth:** 51% QoQ increase in 5G subscribers. 5G coverage is expanding across FY25 to increase catchment and capacity, with minimum CAPEX cash out.
- ✓ **Revenue and profit growth:** Consolidated revenue grew 3% QoQ to \$5.4 million, with gross profit up 2%. Telecommunications grew by 2%, and GeForce NOW gaming revenue increased by 10% QoQ.
- ✓ **EBITDA loss reduction:** We reduced EBITDA loss by 52% QoQ to \$0.4 million, despite a one-off restructuring cost.
- ✓ **Higher-value subscribers:** ARPU increased by 7%, driven by higher-tier gaming plans, and telecommunications subscriber growth shifting to improved margin higher-speed plans.
- ✓ **Positioned for growth:** \$1.8 million in cash, \$6.8 million in financing facilities and significant 5G equipment stock for capital expansion in FY25 aiming to be EBITDA positive 2HFY25.

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