PENTANET MAINTAINS POSITIVE EBITDA AS BRAND INVESTMENT PROGRESSES

KEY HIGHLIGHTS Q2FY26 (UNAUDITED)

(QoQ: Quarter on Quarter, being Q2FY26 vs Q1FY26, PcP: Prior Comparative Period, being Q2FY26 vs Q2FY25)

- Consolidated revenue up 2% QoQ and 7% on PcP to $6 million
- Consolidated gross profit(1) of $2.9 million, up 3% on PcP
- EBITDA(2) at $0.4 million, marking a fifth consecutive quarter of positive EBITDA
- Telecommunication revenue up 2% QoQ and 6% on PcP to $5.4 million
- 5G revenue up 11% QoQ and 330% on PcP to $0.25 million
- Gaming segment revenue up 3% QoQ and 7% on PcP to $0.68 million, with gross profit of $0.46 million, up 3% QoQ and 9% on PcP
- CloudGG ARPU at $23, up 6% QoQ and 31% on PcP
- Cash receipts from customers up 6% QoQ to $6.3 million and up 3% on PcP
- Net cash from operating activities improved 19% QoQ from $0.6 million to $0.7 million

Pentanet Managing Director, Mr Stephen Cornish, said, “Q2FY26 marked the launch of Pentanet’s new “Nothing But Net” brand platform, which went live from 1 November 2025. The campaign represented a deliberate investment in brand following a period of reduced marketing activity and was designed to rebuild brand awareness. The launch utilised a broader media mix than recent quarters and is already showing early indicators of improved brand awareness and stronger purchase intent from engaged audiences, supporting the Company’s longer-term subscriber acquisition strategy.

The GeForce NOW Powered by CloudGG platform delivered strong performance, with growth in premium subscriptions and QoQ revenue. Engagement levels increased across both paid and free users, supporting higher ARPU and improved retention outcomes.

With the brand platform now established and major spectrum-related capital commitments complete, Pentanet enters H2FY26 with improved capital flexibility to remain focused on subscriber growth and disciplined cost management across both operating segments.”

(1) Gross profit is revenue less network operating cost and hardware expenses, representing the profit generated from customers before the costs of marketing, sales, support and administration cost. Gross Margin is calculated as Gross Profit divided by revenue, expressed as a percentage.

(2) EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation 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.

OPERATIONAL UPDATE

Telecommunications

Telecommunications	On-net		Off-net		Total		Change		
Subscribers	**Q1FY26**	**Q2FY26**	**Q1FY26**	**Q2FY26**	**Q1FY26**	**Q2FY26**	**On-net**	**Off-net**	**Total**
Opening Balance	6,844	6,757	11,313	11,603	18,157	18,360	(1%)	3%	1%
Gross new	134	15	766	937	900	952	(89%)	22%	6%
Churn	(221)	(224)	(476)	(418)	(697)	(642)	(1%)	12%	(8%)
Closing Balance	6,757	6,548	11,603	12,122	18,360	18,670	(3%)	4%	2%
Average Monthly Churn	1.1%	1.1%	1.4%	1.1%	1.3%	1.1%	-	16%	9%
Subscriber Split	37%	35%	63%	65%					

Pentanet's telecommunications segment recorded continued subscriber growth in Q2FY26, driven primarily by off-net additions. Total subscribers increased 2% QoQ to 18,670, and gross new subscribers were up 6% QoQ to 952. Off-net growth was supported by NBN's Speed Boost program, driving higher customer acquisition within Pentanet's NBN base.

Off-net subscribers increased to 12,122, up 4% QoQ, while on-net subscribers declined marginally to 6,548, reflecting ongoing competitive dynamics and customer migration. 5G subscribers, included within the on-net base, increased 1% QoQ to 996 and 40% on PcP, with utilisation remaining the strategic focus rather than further network expansion.

Churn improved to 1.1%, down from 1.3% in Q1FY26, with off-net churn moderating following heightened NBN promotional activity in the prior quarter.

Blended ARPU increased to $96, supported by the higher value mix of NBN and 5G plans and continued customer migration toward higher-speed plans.

Operationally, the quarter focused on executing the Q2 brand campaign to rebuild market awareness and strengthen Pentanet's longer-term brand presence, while maintaining network stability and service quality across both fixed wireless and NBN offerings.

GeForce NOW Cloud Gaming

Pentanet's GeForce NOW Powered by CloudGG platform delivered solid operational performance in Q2FY26, with continued strength across higher-value subscription tiers, which increased 6% QoQ.

CloudGG ARPU increased 6% QoQ to $23 and 31% on PcP, driven by continued uptake across Ultimate and Performance subscription tiers.

Platform activity increased during the seasonal gaming period, supported by a new content lineup, including the launch of ARC Raiders and ongoing engagement across established titles such as

Battlefield 6 and Path of Exile. These releases contributed to higher engagement across premium tiers, alongside improvements to user onboarding and retention.

FINANCIAL UPDATE

Revenue

Consolidated revenue increased 2% QoQ and 7% on PcP to $6 million across Pentanet's two product segments.

Telecommunications revenue has increased by 2% QoQ and 6% on PcP to $5.4 million supported by stable subscriber metrics and an ongoing shift to higher-value plans. 5G Revenue increased 11% QoQ and 330% on PcP to $0.25 million, reflecting ongoing adoption across existing coverage footprint. Recurring revenue remained steady at 96%.

GeForce NOW revenue increased 3% QoQ to $0.68 million and up 7% on PcP supported by higher-value subscription mix following plan optimisation initiatives.

Gross Profit

Consolidated gross profit remained stable at $2.9 million QoQ and up 3% on PcP, and the gross margin decreased marginally by 1 percentage point (pp) from 49% to 48% QoQ. The gaming segment continued to support overall margin strength, with a gross margin of 68%, up 1pp QoQ.

Telecommunication Gross Profit decreased marginally to $2.4 million, with gross margin decreasing 1pp QoQ to 46%, primarily due to higher mix of lower margin off-net subscribers. Gross profit increased 2% on PcP, reflecting subscriber growth and plan mix improvements.

Expenses & EBITDA

EBITDA for Q2FY26 was $0.4 million, and positive for the fifth consecutive quarter. Overheads increased modestly to $2.5 million, up 4% QoQ and 11% on PcP, reflecting higher marketing investment associated with the Q2 brand campaign.

Telecommunication segment overheads are up 5% QoQ, driven primarily by additional marketing investment for the Q2 brand campaign. The Gaming segment EBITDA increased 10% QoQ to $0.42 million, supported by stable operating costs and improved subscription mix.

Q2 Cash Flow

The group's cash balance remained stable at $2.4 million QoQ, with net cash inflow from operating activities increasing to $0.7 million, reflecting continued positive underlying EBITDA and disciplined working capital management. Payments for staff costs increased by 7% QoQ to $1.6m, driven by an additional fortnightly pay run, and payments for advertising and marketing increased by 29% QoQ to $0.4m, driven by higher upfront branding campaign costs.

Cash used in investing activities reduced significantly QoQ from $2.1 million to $0.4 million, following the completion of the final 5G Spectrum License payment. The $0.4 million covers tower lease expenses, labour cost and equipment for traditional and 5G customer premises equipment installations.

Cash from financing activities included $0.3 million in loan repayments.

The company closed the quarter with a cash balance of $2.4 million and unused financing facilities of $7.2 million, which represent specific facilities for vehicles and capital expenditures.

Use of funds and related party transactions

In accordance with ASX Listing Rule 4.7C.1, the Company's net cash inflow from operations for the quarter was $710,000 with receipts from customers of $6,270,000. The Company's operational expenses mainly comprised of product and manufacturing costs ($3,160,000) and staff costs ($1,585,000).

In accordance with ASX Listing Rule 4.7C.3, payments in the December 2025 quarter to related parties (and their associates) of $335,801 included in Item 6 in Appendix 4C consisted of directors' fees and director associate fees, and accounting services paid to associates of directors.

This announcement has been authorised for release by the Managing Director of Pentanet Limited, Mr Stephen Cornish.

For further information, please contact:

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Managing Director	Company Secretary	Chief Financial Officer

About Pentanet

Pentanet is a Perth-based, growth-focused telco delivering high-speed internet to a growing number of subscribers by providing next-generation internet speeds. This is achieved through Pentanet's market-leading private wireless network, the largest in Perth, as well as reselling fixed-line services such as nbn® and Opticomm.

The Company's flagship wireless network has benefits for both customers and investors, offering an outstanding customer experience and a fixed wireless product that is technically superior to most of the nbn with attractive margins for investors. This sets Pentanet apart from most broadband providers, which typically only resell the nbn.

Pentanet is also part of the rollout of the next wave of subscription-based entertainment services – cloud gaming. The Company's Alliance Partner Agreement with NVIDIA allowed Pentanet to be the first to bring their GeForce NOW technology to Australia in 2021.

Pentanet invites existing and prospective shareholders to join the conversation within the Company's interactive Investor Hub at investorhub.pentanet.com.au