



PENTANET RAISES \$20 MILLION TO FUND ACCELERATED NETWORK ROLLOUT AND CLOUD GAMING GROWTH

HIGHLIGHTS:

- Commitments received from institutional and sophisticated investors for a A\$20 million Placement to fund accelerated planned growth in Cloud Gaming and telecommunications infrastructure rollout.
- Since listing on the ASX in January 2021, Pentanet has grown its subscriber base by over 20%, acquired 5G spectrum to accelerate the expansion of its wireless network rollout, and expanded its Cloud Gaming infrastructure to support strong market interest in GeForce NOW.
- New funds will be primarily utilised to accelerate these fixed wireless and cloud gaming network expansions, plus associated working capital requirements.
- Pentanet will purchase an additional 18 RTX Servers, increasing the capacity to service expected growing demand, and enact exclusivity for NVIDIA's GeForce NOW service in Australia.
- Leveraging the benefit of the recently acquired 5G Spectrum, Pentanet will upgrade coverage capacity and accelerate the rollout of its wireless network.
- Following the Placement, Pentanet will have approximately 291.1 million shares on issue and a proforma 31 March 2021 cash balance of \$36.3 million.

Pentanet Limited (ASX:5GG, Pentanet or Company) is pleased to announce it has received firm commitments to raise A\$20 million (before costs) via a share placement to institutional and sophisticated investors (Placement).

The Placement pricing represents a 5.3% discount to the last traded share price of \$0.76 on 15 June 2021. Demand for the placement was three times in excess of what was sought, with a strong level of institutional participation that included many notable Australian funds.

Since listing on the ASX on 29 January 2021, Pentanet has focused on the disciplined execution of its Fixed Wireless and Cloud Gaming growth strategy. The Company has delivered strong +20% growth in subscriber numbers with low churn, high ARPU, and improving gross margins. Increased market awareness has been driven by targeted marketing activities and a focus on superior network performance and customer service.

The Company has continued to invest in network deployment and the development of Terragraph mmWave wireless mesh technology that will significantly increase network accessibility and performance with gigabit speed capability. Since the IPO, Pentanet has also been successful in securing a 15-year licence for high band 5G spectrum in the 26 GHz auction conducted by the Australian Communications and Media Authority (ACMA). This investment will result in significant advantages for the network and an accelerated deployment of Terragraph technology in Pentanet's 'Project Gigalink'.

Market interest in GeForce NOW Powered by Pentanet - the Australian deployment of NVIDIA's cloud gaming service - has exceeded initial expectations since its announcement on 27 January 2021. As a result, the Company has significantly expanded the planned pilot infrastructure rollout and put in place an upgrade capability to accelerate the network deployment where market demand continues to support this.

The new funds will be primarily used to accelerate the disciplined execution of the Company's Fixed Wireless and Cloud Gaming growth strategy. Central to this strategy is the deployment of Terragraph and GeForce NOW infrastructure to drive industry leading performance capability and to build a unique telecommunications and gaming platform in the Australian market.

Pentanet Managing Director Mr Stephen Cornish said "It is good to see the strong support from investors, highlighting an increased level of understanding around the relationship between cloud gaming and 5G, now enabling us to move Pentanet into the next stage of growth early. It is a fast-developing market and we have taken advantage of market opportunities in both our Fixed Wireless and our Cloud Gaming services to strengthen our capabilities."

"Our team will continue to show that we are leaders in these developing services, and the highest tier when it comes to providing subscribers with industry leading internet performance and delivering on what will be Australia's best and most anticipated high-quality Cloud Gaming service.

"I would like to thank both our existing, and our new investors, for their support and confidence in our business, and we look forward to continuing to deliver on our growth plans in the coming months and quarters, for all involved, both customers and stakeholders."

BUSINESS UPDATE

Internet Services

Testing of Terragraph technology continues to deliver impressive results, with over 3Gbps of throughput between devices achieved in a testing environment. Testing showed that traffic was able to be passed consistently at 1.5Gbps - 2Gbps over multiple hops in Pentanet's deployed trial zone.

The Company will also begin upgrading its existing tower sites over the coming months with 5G enabled hardware that will utilise the 5G mmWave spectrum recently purchased in the ACMA spectrum auction.

Cloud Gaming and eSports

As previously announced on 10 June 2021, Pentanet has amended its GeForce NOW (**GFN**) Alliance Partner Agreement with NVIDIA to provide that Pentanet may commercially launch NVIDIA's gaming PC in the cloud service (i.e. the GFN Service) in Australia (**Commercial Launch**) after 31 May 2021. Under the amendment, Pentanet's exclusivity for the GFN Service in Australia lasts for an initial period of 12 months following the earlier of the date of the Commercial Launch or 31 October 2021, subject to Pentanet, in its discretion, increasing its investment under the agreement to one GFN Pod (36 RTX Servers) from NVIDIA by purchasing an additional 18 RTX Servers. To date, Pentanet has purchased 18 RTX Servers.

There are now over 10 million active GeForce NOW users globally. Pentanet launched a preliminary expression of interest for the GeForce NOW service in Australia. Interest in the service is compelling and growing, with over 45,000 unique usernames registered since 27 January 2021, converting now into more than 12,000 active users with 50,000 Quests completed on Pentanet's innovative CloudGG portal (Cloud.GG) within its first week of launch (since June 9, 2021).

On the tailwinds of the strong interest received for the GeForce NOW service in Australia, Pentanet will purchase an additional 18 RTX Servers, bringing the total to 36 RTX Servers split across two deployments in Perth and Sydney, and enact its first exclusivity period for the service within Australia.

The Company's CloudGG portal launched on 9 June 2021 formally commencing the first part of a three-stage rollout leading towards a national launch for the service planned for October 2021.

CAPITAL RAISING

The Placement will comprise the issue of 27,777,778 fully paid ordinary shares (Placement Shares) to institutional and sophisticated investors. The Placement Shares will be issued at \$0.72 per share to raise approximately \$20 million before costs. Following the Placement, Pentanet will have approximately 291.1 million shares on issue and a proforma 31 March 2021 cash balance of \$36.3 million.

Euroz Hartleys Limited and Bell Potter Securities Limited are acting as Joint Lead Managers to the Placement.

Use of Funds

Wireless acceleration & Network 5G Conversion	\$6m
5G Spectrum	\$3m
NVIDIA GeForce NOW expansion & exclusivity	\$5m
CloudGG software development & gaming opportunities	\$4m
General working capital and cost of offer ¹	\$2m
Total Proceeds	\$20m

¹ Broker fees, legal, registry, ASX and other costs associated with the raising.

Completion of Placement

Placement Shares will be issued in accordance with the Company's available 15% placement capacity pursuant to ASX Listing Rule 7.1. The Placement Shares will rank equally with existing Pentanet fully paid ordinary shares quoted on the ASX.

ASX announcement of Placement and Appendix 3B	Friday, 18 June 2021
Settlement Date	Friday, 25 June 2021
Allotment Date	Monday, 28 June 2021
ASX announcement of Appendix 2A and Cleansing Notice	Monday, 28 June 2021

An Appendix 3B for the proposed issue of securities will follow this announcement.



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

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About Pentanet

Pentanet is a Perth-based, growth-focused telco delivering high-speed internet to a growing number of subscribers by providing them with next-generation internet speeds. This is achieved through Pentanet's market-leading private fixed-wireless network, the largest in Perth, as well as reselling fixed-line services such as NBN, where its wireless is not yet available.

Pentanet's flagship fixed 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 only resell the NBN.

Pentanet will also be part of the rollout of the next wave of subscription-based entertainment services – cloud gaming. The Company's Alliance Partner Agreement with NASDAQ listed NVIDIA – one of the world's largest producers of specialised graphic chips used in gaming – allows Pentanet to be the first to bring their GeForce NOW technology to Australia in 2021.

Pentanet was listed as #28 in the Deloitte Technology Fast 500™ Asia Pacific 2020, a ranking of the region's 500 fastest growing technology companies. On top of the Company's #28 overall ranking, Pentanet also ranked #3 for Australian companies on the list.