

5G

Capital Raise Presentation, **June 2021**



PENTANET

DISCLAIMER

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DETAILS OF THE PLACEMENT

CAPITAL STRUCTURE

Shares on issue	263,369,935
Shares issued under the placement	27,777,778
Shares on issue post placement	291,147,713

PLACEMENT DETAILS

Placement price	\$0.72
Placement proceeds	\$20m

MARKET CAPITALISATION AT OFFER PRICE **\$209,626,353**

Pro-forma net cash	\$36.3m
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Note: 34,260,000 Options on issue, exercisable at various prices

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	\$2m
Total Proceeds	\$20m

ABOUT US



OUR VISION

To build a market leading telecommunications network 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, delivering high-speed, reliable internet with a focus on outstanding customer service and support.

Since inception in 2017, Pentanet has built the largest Fixed Wireless (FW) telecommunications network across the Perth metro area. With towers connected by rings of dark fibre, Pentanet has purposefully designed our network with enough capacity for next-generation, bandwidth-heavy applications – including cloud gaming..

NEXT-GEN CAPABLE NETWORK

MARKET LEADING BRAND

PERTH-BASED LOCAL TEAM

GLOBAL ESPORTS PRESENCE

NATIONAL CLOUD GAMING ALLIANCE PARTNER

MARKETING & BRAND

The Pentanet brand continues to build in market, positioned around **high-performance, speed, gaming, and next-generation technology.**

The Company maintains strong customer satisfaction results with a weighted average of **4.62 stars** across Facebook, Google and Product Review for our telecommunications services.

4.5



Google

4.8



facebook

4.7



PRODUCT REVIEW .COM.AU



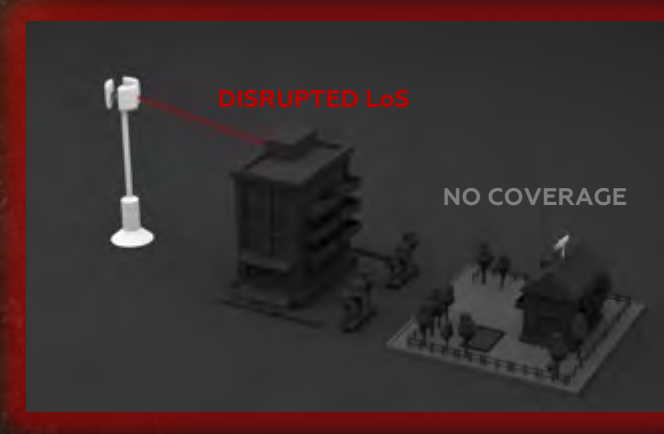
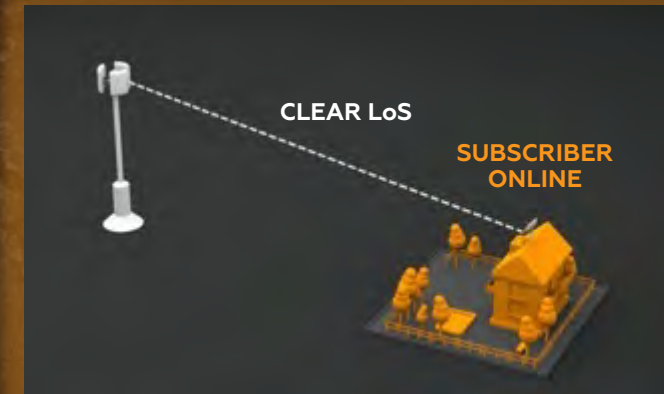
TELECOMMUNICATIONS NETWORK

12,000 active subscribers
as at 31 May 2021

5,000 on-net
7,000 off-net

EXISTING FIXED WIRELESS INFRASTRUCTURE

- On-net customers connect to Fixed Wireless towers which are backhauled by self-healing fibre optic rings
- Technology currently relies on line of sight to a macro tower - coverage to approximately 32% of addresses in Perth metro area



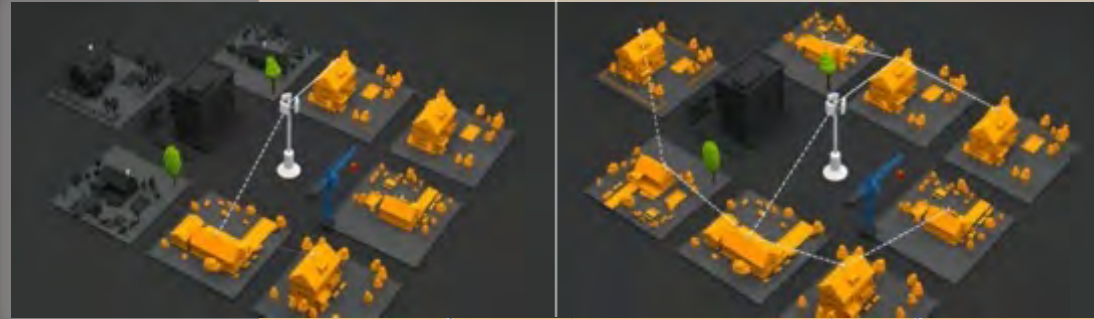
PROJECT GIGALINK

Perth's own next-generation gigabit wireless mesh network

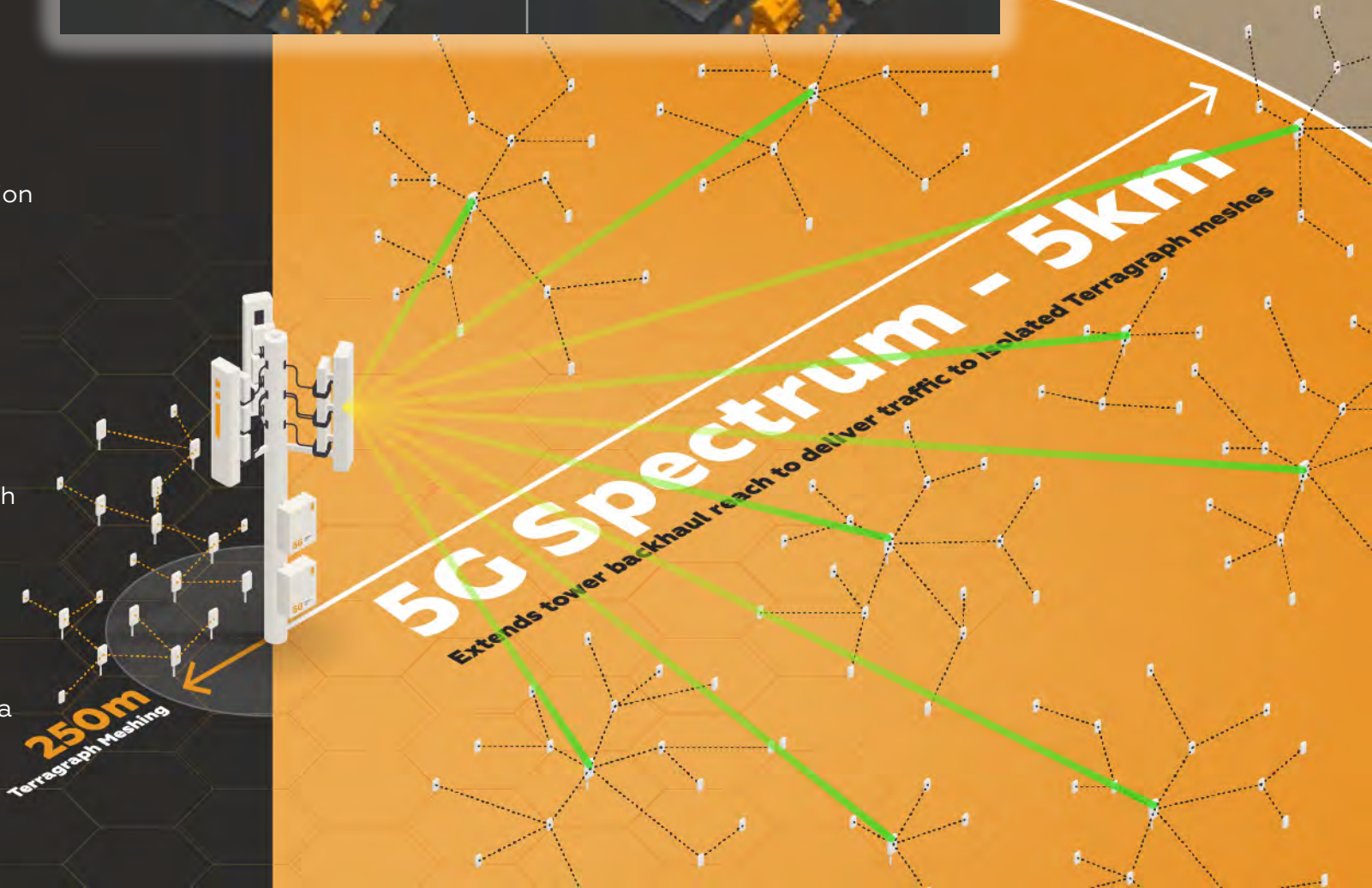
- Terragraph technology multiplies coverage with each subscriber forming part of the expanding network capacity
- Significantly increases required spacing between transmission towers and equipment
- Increases available speeds 5-10x using 5G millimeter wave technology
- Lowers latency of network
- Increases capability of Pentanet Fixed Wireless business
- Acquisition of 5G mmWave spectrum covering Greater Perth (Perth, Mandurah, Bunbury & Margaret River) enables accelerated delivery of multi-gigabit speeds anywhere in service area
- 5G spectrum enables simultaneous rapid deployment of Terragraph at greater scale (anywhere within a 5km radius from an existing tower, instead of only expanding 250m at a time outward from the existing tower footprint, as initially planned)

NO COVERAGE

NOW ONLINE



Signal routes from subscriber



PROJECT
GIGALINK
ACCELERATED

+\$3m

Towards 5G mmWave spectrum licensing to ACMA.

+\$6m

Conversion of Network to be 5G enabled.

Accelerated marketing and Terragraph upgrade program for existing subscriber base.

Distribution Node Infrastructure



250m
Terragraph Meshing

5G Spectrum - 5km
Extends tower backhaul reach to deliver traffic to isolated Terragraph meshes

Pentanet has secured a 15 year license for high-band 5G spectrum in 26 GHz ACMA auction to increase network capability.

CLOUD GAMING



POWERED BY
PENTANET

CONVENIENCE CHANGES MARKETS

"Neither Redbox nor Netflix are even on the radar screen in terms of competition"
- Jim Keyes, Blockbuster CEO, 2008

Pentanet is rolling out NVIDIA infrastructure to launch GeForce NOW cloud gaming in Australia.

GeForce NOW instantly transforms nearly any laptop, desktop, Mac, SHIELD TV, Android device, iPhone, or iPad into a high-performance PC gaming rig, allowing users to seamlessly play the most demanding PC games across their devices.

\$3.6b

TOTAL AUS GAMING INDUSTRY VALUE¹

15.6m ADDRESSABLE MARKET

TOTAL AUS GAMERS²

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




¹Source – ACMA Communications Report 2018-19.2 | ²Source - IGEA 2018 Digital Australia Report

No more upgrades, no more updates



**GEFORCE
NOW™**

POWERED BY
 **PENTANET**



A total of 36 RTX servers to be split across two deployments in PER and SYD

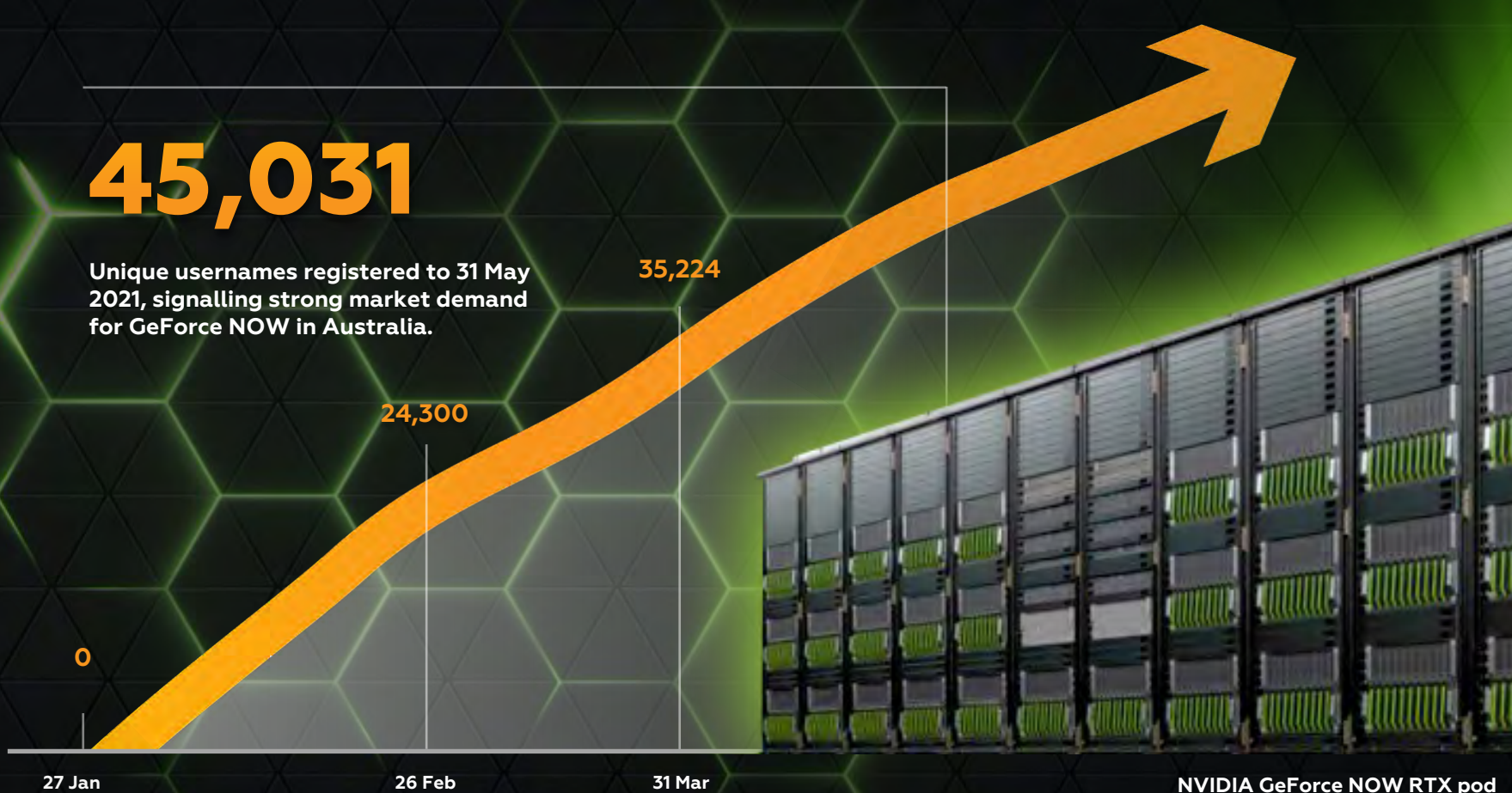
+\$5m

Increasing server capacity for expected demand nationally, and completing the Company's purchase option to secure exclusivity for the GeForce NOW service in Australia.



45,031

Unique usernames registered to 31 May 2021, signalling strong market demand for GeForce NOW in Australia.



NVIDIA GeForce NOW RTX pod



POWERED BY
PENTANET



CloudGG manages the user community, subscription and promotes the completion of quests, where users gain XP to win rewards and enables the cloud gaming provider to gather valuable behavioural data on users for oversubscription efficiencies.

+\$4m

Towards further software development of CloudGG and Pentanet.GG gaming opportunities.

Cloud.GG is a global top-level domain name controlled by Pentanet and used to promote and represent cloud gaming.

The CloudGG portal which we have developed for the Cloud.GG domain is a centralised user management and analytics program designed to assist with cloud gaming onboarding. We plan to further develop the CloudGG platform, adding more features, gamification and value to the onboarding process to use for our own deployment, with the ability for the platform to also help other cloud gaming deployments globally.



General Statistics																			
TOTAL ACTIVE USERS	10262																		
TOTAL SOX SUBMISSIONS	45792																		
TOTAL COMPLETED ACHIEVEMENT	<table border="1"> <thead> <tr> <th>Achievement</th> <th>Count</th> </tr> </thead> <tbody> <tr><td>Left the nest</td><td>9290</td></tr> <tr><td>Quest Master</td><td>7348</td></tr> <tr><td>Video hit the radio star</td><td>6908</td></tr> <tr><td>Jeremy Men</td><td>6847</td></tr> <tr><td>Call me Mr. Vain</td><td>5352</td></tr> <tr><td>Brace yourself</td><td>4392</td></tr> <tr><td>A friend in need</td><td>1758</td></tr> <tr><td>Building your squad</td><td>237</td></tr> </tbody> </table>	Achievement	Count	Left the nest	9290	Quest Master	7348	Video hit the radio star	6908	Jeremy Men	6847	Call me Mr. Vain	5352	Brace yourself	4392	A friend in need	1758	Building your squad	237
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50,000
COMPLETED QUESTS

Already over 12,000 active users, and over 50,000 quests completed in the seven days since CloudGG went live!

ONGOING STRATEGY

GROW OUR SUBSCRIBER BASE



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

EXPAND NETWORK INCREASING POTENTIAL MARKET



- ◆ Deployment of large-scale mmWave wireless telecommunications network
- ◆ Increase available speeds to 1Gbps for more fixed wireless customers
- ◆ Line of sight to tower no longer required for every subscriber
- ◆ Increase market penetration with greater fixed wireless coverage across Perth metro area

INCREASE MARGINS



- ◆ Attract more off-net subscribers to higher margin on-net services
- ◆ Diversify product offering (VOIP, consumer electronics)
- ◆ NVIDIA GeForce NOW cloud gaming subscription bundling
- ◆ Continue development of premium brand for alignment to speed and quality

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PENTANET

Annexure A

Pentanet Ltd | Risk Disclosure

Risks specific to the Company (Pentanet Limited ACN 617 506 279)

1. Loss of carrier licence:

As a telecommunications carrier, Pentanet (or the **Company**) is required to hold a carrier licence with the Australian Communications and Media Authority (**ACMA**) (which is essential for the Company to operate as a carrier of telecommunications infrastructure) and must comply with the licence conditions set out in the *Telecommunications Act 1997* (Cth) (**Telecommunications Act**). There is a risk that licence conditions may be varied, or if the Company does not comply with the licence conditions, that the licence be cancelled, which would have a material impact on the Company's activities and may result in the Company breaching a number of its contractual obligations.

2. Competition:

Pentanet and its subsidiaries (**Group**) operate in markets where customers have the choice of alternative suppliers of broadband internet and data connectivity (including but not limited to National Broadband Network (**NBN**) resellers). The ability of the Company and its subsidiaries (**Group**) to attract and retain customers will be affected by alternative service and price offerings of competitors in the markets in which the Group operates.

3. Network performance and reliability:

There is a risk that the performance, reliability and availability of the Group's technology platform (including online led customer service platform, customer support and communications systems) website and systems may be adversely affected by a number of factors, including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, or external or malicious interventions (such as hacking, fire, natural disasters or weather).

There is also a risk if the Group's contracted third-party suppliers' (who manage certain interfaces) services were interrupted, or if the Group was unable to contract with these suppliers, that the Group may experience a disruption in its service.

There is a risk that the Group's operational processes, redundancy capacity and capability or disaster recovery plans may not adequately address every potential event. The Group's insurance policies may not cover loss or damage that the Group suffers as a result of a system failure. This may reduce the Group's ability to generate income, materially interrupt the level of customer service provided and cause damage to the brand, leading to a reduction in the retention rates of existing customers and potentially a material adverse effect on the Group's financial position and performance.

4. Stage of development

There is a risk that the Group (being at an early stage of development) may not be able to manage accelerated growth, which could impact the financial results and growth funding of the Group, as well as the share price of the Company. The Company does not currently generate positive cash-flow and requires funding to expand its wireless and Terragraph network and provide equipment and installation of associated equipment at customer premises.

5. Future changes to NBN technology solutions

If there was a change to NBN's technology solutions or strategies and the change made the NBN more competitive, then this could have a materially adverse impact on the Group's ability to attract sufficient customers, generate sufficient revenues and profitability to provide a return to investors, as the fixed wireless market opportunity relies on offering NBN competitive services.

6. New technology evolution

The Group relies on third party hardware and software technologies to deliver its products and services. If the performance of these technologies decreased (e.g. fails to be continuous, without disruptions or cessation), there may be an impact on reputation, ability to deliver services and customer growth. Wireless technology changes are rapid, and failure to invest or upgrade to new technologies to remain competitive may lead to a loss of opportunities for the Group, which may materially affect future business operations and the financial results.

7. NVIDIA

Pentanet has entered into the NVIDIA GeForce NOW Alliance Partner Agreement (**NVIDIA Agreement**) with NVIDIA Corporation (**NVIDA**) dated 25 November 2020 (as amended), pursuant to which Pentanet has the right to purchase up to 72 GeForce NOW (**GFN**) Game Servers from NVIDIA (or its approved third-party vendors), in a staggered approach.

There can be no assurances that the commercialisation of the NVIDIA's gaming PC in the cloud service (**GFN Service**) will be successful. There is a risk that the GFN Service may not be fully understood by Pentanet's target markets and that the cost and time required in penetrating these new markets are greater than estimated. These conditions may contribute to the risk that Pentanet is unable to successfully attract sufficient customers to commercialise the GFN Service.

There is no guarantee that Pentanet will be granted exclusivity in Australia, for a period or at all. There is also no guarantee that the Company or NVIDIA will be in a position to enable the term of the NVIDIA Agreement to be renewed beyond the initial term of 3 years.

8. Product development

The Group may introduce new products or services or functionality which carry a risk of unforeseen costs or risks, which may not perform as intended or may not deliver growth in customers. There is no guarantee that Pentanet will be able to undertake research and product development successfully. If testing during product development produces results that do not meet the Company's expectations, this could result in delays to Pentanet's growth plans. A failure to successfully develop new and current products or a delay stemming from product development will adversely affect Pentanet's financial position and prospects.

9. Legal or regulatory risks

The Group operates in a regulated environment and its behaviour is subject to ACMA, the the Australian Competition and Consumer Commission, Telecommunications Industry Ombudsman, state fair trading bodies, and consumer groups that monitor the conduct of telecommunication service providers. Pentanet may be affected by those bodies or by changes to government policies and legislation, including but not limited to those relating to the telecommunications industry and taxation, in respect of Australia and any other country that Pentanet has economic interests, and which may affect the viability and profitability of Pentanet.

Pentanet depends on the use of class license spectrum to operate its 5GHz and 60GHz networks. Access to class spectrum is currently allocated by ACMA at no cost. Pentanet also depends on the use of licensed spectrum and holds several ACMA licenses for use of specific spectrum as part of its wireless network. Pentanet uses class license spectrum for no fee and for non-exclusive use. Unlicensed spectrum is regulated by the International Telecommunication Union Standards and used by many devices in homes. Change to the class license spectrum would adversely impact Pentanet if access to, the rules or costs governing the use of, this spectrum were to change.

The Telecommunications Act imposes an obligation on owners of non-NBN fixed networks, which supply super-fast carriage services to residential or small business customers, to supply services only to a carrier or a service provider, i.e. to operate on only a wholesale basis. This regulation does not apply to fixed-wireless network owners, such as Pentanet and allows Pentanet to own and operate its end to end fixed-wireless network as owner of the network and supplier and retailer of services to residential and business customers. If this regulation was to change to include fixed-wireless networks (in the prohibition under the Telecommunications Act against a company operating as both owner of the network and supplier of services to residential and business customers), then this would have a materially adverse effect on Pentanet, as Pentanet would have to separate the ownership of the fixed-wireless network from the supply of services to residential and business customers.

10. Supplier and customer relationships

The Group relies on key business relationships to deliver its services, such as backhaul, site leases and network equipment and on contracting relationships with multiple suppliers. A failure to maintain supplier relationships could result in a loss of support, which could adversely impact the business operations and financial results. Loss of or interruption of any key supplier contracts such as Virtutel Pty Ltd (ABN 86 142 205 712), Vocus Pty Ltd (ACN 127 842 853), Axicom Pty Ltd (ABN 34 090 873 019) and Water Corporation (ABN 28 003 434 917), under which IP Transit, backhaul services and site leases are supplied would have a materially adverse impact on the profitability of Pentanet.

In addition, failure to maintain responsive customer service capability, a quality service offering and competitive prices may lead to customers seeking alternative providers, which could increase the customer churn of the Group and have an adverse impact on profitability.

11. Loss of customers or contracts and customer service risk

If the Group's customer churn rates were to increase, this would have an adverse effect on the revenue, and therefore financial performance and profitability of the Group.

In particular, poor customer service experiences may result in the loss of customers. If Pentanet loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, or if the computer systems relied on by customer service personnel are disrupted by technological failures, this could lead to adverse publicity, litigation, regulatory inquiries or a decrease in customers, all of which may negatively impact on Pentanet's performance.

Further, a lack of customer demand, or oversupply of inexpensive fibre optics telecommunications infrastructure in the market, may impact the growth prospects and/or financial performance of the Group.

12. Key management personnel

Pentanet relies heavily on its existing key management personnel, who have intimate knowledge of the business. If a member of Pentanet's key management team were to resign or leave the businesses this could have an adverse effect on Pentanet's performance, and there is no guarantee that Pentanet could attract a suitably qualified replacement, or if it is able to do so, how long it may take to attract and employ such a replacement.

13. Growth strategies

Pentanet has a number of strategies in place to generate future growth and earnings. There is a risk that the implementation of growth strategies will be subject to delays or cost overruns and there is no guarantee that these strategies will generate the customer demand, full financial benefits anticipated or result in future sales and earnings growth and may not deliver a return on investment. Furthermore, the implementation of growth strategies may lead to changes to Pentanet's business or the customer experience which may result in unintended adverse consequences.

14. Contract risk

The operations of Pentanet require involvement of a number of third parties, including the counterparties to agreements. With respect to these third parties, Pentanet is unable to completely avoid the risk of financial failure or default by a party to any agreement to which Pentanet is or may become a party; or termination or failure to renew the term of any agreement to which Pentanet is or may become a party.

15. Future capital requirements

Future additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit Pentanet's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to Pentanet or at all. If Pentanet is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on Pentanet's activities and affect Pentanet's ability to continue as a going concern.

Future offerings of Pentanet shares (Shares) and of securities convertible into Shares will increase in the number of Shares issued and outstanding, the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of Pentanet's existing shareholders will be diluted.

16. Health and safety

Employees and contractors are exposed to risks in relation to installation. If installation risks are not properly identified and/or work practices are not implemented in a safe manner, employees or contractors may sustain injuries or, in extreme cases, serious injury or death. If Electromagnetic Radiation Emissions (EME) from Pentanet's equipment are not in accordance with equipment specifications and/or work practices are not implemented in a safe manner, employees or contractors, or even third parties, may sustain injuries or, in extreme cases, serious injury.

17. Data security risk

Through the ordinary course of business, the Group collects a personal, financial and service usage data from customers and the Group is reliant on technology providers and partners that collect certain information about the Group's customers.

Cyberattacks, data theft and hacking may lead to a compromise or even breach of the technology and online customer service platforms used by the Group to protect confidential information. Measures taken by the Group may not be sufficient to detect or prevent unauthorised access to, or disclosure of, confidential information or access to such information by hackers or potentially government agencies.

If a cyberattack is successful, any data security breaches or the Group's failure to protect confidential information could result in loss of information integrity, breaches of the Group's obligations under applicable laws or customer agreements, and website and system outages and fraud, each of which may potentially have a material adverse effect on the Group's reputation and financial performance.

18. Extreme weather events

The Group's wireless broadband business uses equipment which could be impacted by significant adverse weather conditions such as hurricanes, cyclones, or high winds impacting on the operation of its equipment or other adverse weather conditions or floods impacting third party networks on which Pentanet depends for backhaul. These events could have an adverse impact on future operations and profitability. Other adverse climate related events may impact the supply and price of hardware components and Pentanet's logistics.

19. Infectious diseases and COVID-19

Infectious diseases could interrupt Pentanet's operations, impair deployment of its solutions to customers and prevent customers from honouring their contractual obligations. Such diseases can also cause hospitalisation or death of Pentanet's existing and potential customers and staff. Containment strategies imposed by governments are likely to inhibit the installation and maintenance of Pentanet's products, as well as causing disruptions to supply chains and delays in sourcing component parts.

20. Brand maintenance

The Group's reputation and the value of its brands may be damaged as a result of negative customer or end-user experiences due to poor product performance or product failures, adverse media coverage or other publicity, or disputes with customers, suppliers, landlords or employees. Erosion of the Group's reputation as a result of one or a combination of these factors may reduce demand for its products, diminish the value of its brands, or adversely impact relationships with customers, suppliers or employees; and adversely impact the Group's ability to attract and retain customers, sales and revenue performance, and profitability.

21. Future profitability

The Company's limited financial history creates uncertainty in relation to the business and its prospects. There can be no certainty that Pentanet will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities. The Group's profitability may be impacted by many factors and the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

22. Credit risk

Pentanet is exposed to credit risks relating to the delayed payments or non-payments from its customers, including in the event a customer ceases operations or suffers an insolvency event. If a material portion of customers were to default in payment under their respective arrangements with Pentanet this could have a material adverse effect on Pentanet's business, operating results and financial condition, including decreasing operating cash flows. There may be an increased risk of default as a result of poor economic conditions (including in relation to COVID-19).

23. Future acquisition risk

Pentanet may seek to acquire businesses or companies in order to achieve its objectives. There is a risk that Pentanet's due diligence investigations will not identify issues which are material to the acquisition and may result in additional liabilities affecting Pentanet.

Placement and general investment risks

24. Economic

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. Pentanet's future income, asset values and share price can be affected by these factors.

25. Market price of shares

The market price of Shares may fluctuate over time as a result of a number of factors including the financial performance and prospects of Pentanet. Prevailing market conditions, general investor sentiment, interest rates, commodity prices and the liquidity and volume of shares being bought or sold at any point in time. It should be noted that there can be no guarantee that there will be an active or liquid market in shares traded on the ASX and there is no guarantee that new Shares issued under the placement will trade at or above the issue price. The historic price performance of Shares does not necessarily provide any guidance as to the future share price performance.

26. Taxation

Future changes in Australian tax law may affect the taxation treatment of an investment in Pentanet shares or the holding or disposal of those shares. Further, changes in tax law, or the way tax law is expected to be interpreted may impact the future tax liabilities of Pentanet.

27. Force majeure

Significant catastrophic force majeure events - such as war, acts of terrorism, pandemics, loss of power, cyber security breaches could disrupt Pentanet's operations and impair deployment of its solutions by its customers, interrupt critical functions, reduce demand for Pentanet products, prevent customers from honouring their contractual obligations to Pentanet or otherwise harm the business.



PENTANET