



PENTAMET

5000

INVESTOR UPDATE

Q1 FY22 Report

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nexus

We continue to evolve and deploy the next-generation of the Pentanet wireless network, **neXus**. Combining the power of both 5G mmWave and Terragraph technology, our on-net wireless network will be multi-gigabit capable and significantly increases scale and coverage across Perth.

The deployment of **neXus** has attracted the attention of industry leaders Cambium Networks and Facebook who invited Pentanet founder & managing director Stephen Cornish to appear as a panellist on their respective conferences on wireless connectivity:

- **Cambium Connections Asia-Pacific**
discussing Pentanet 60GHz Case Study
- **Facebook Inside the Lab: Connectivity**
APAC Roundtable with Facebook's VP of Engineering

Upcoming:

- **Goldman Sachs Fifth Annual Emerging Technology Conference**

neXus infrastructure

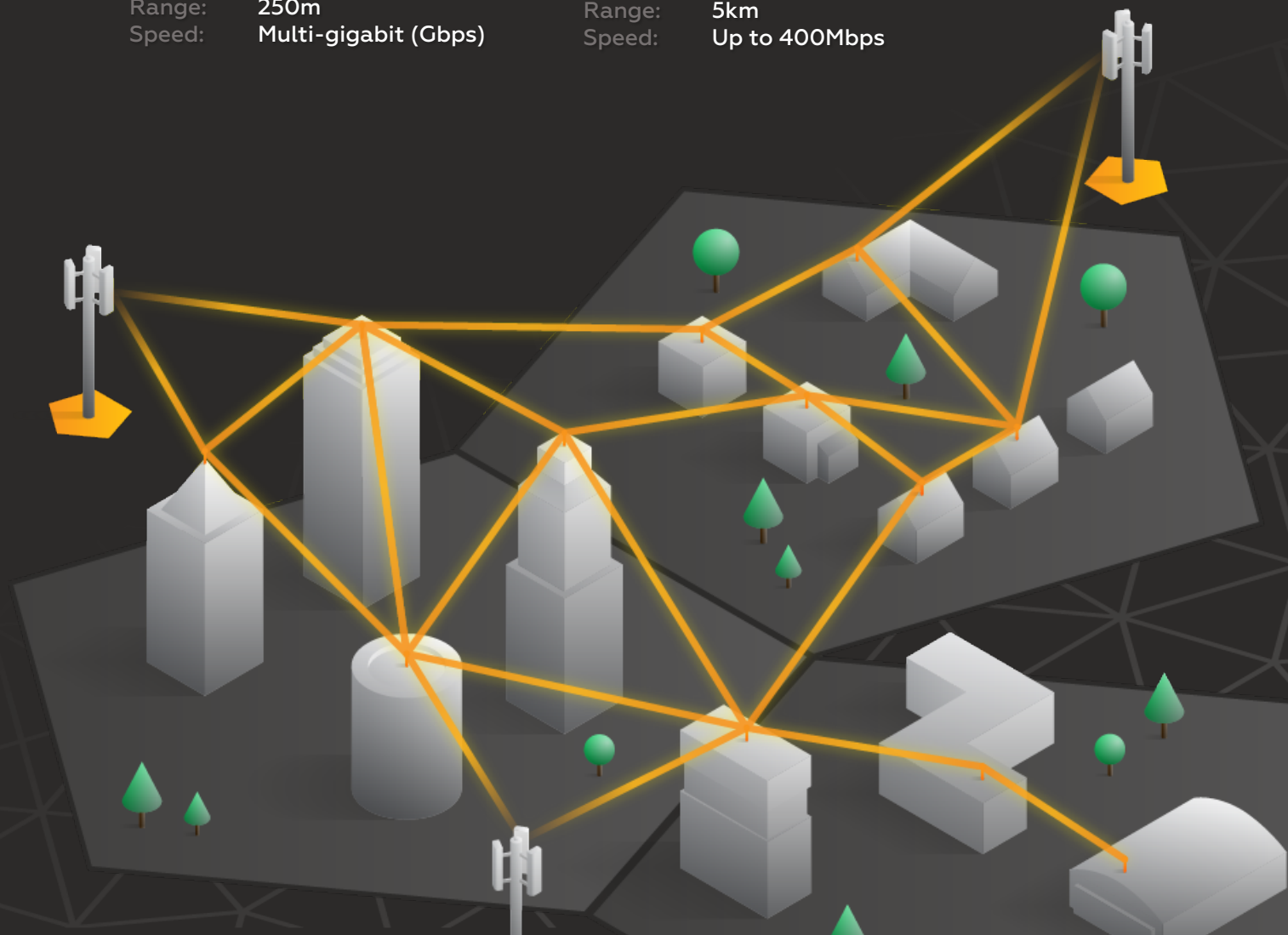
now covers **80sqkm** on the road to commercialisation.

Terragraph

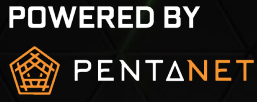
Range: 250m
Speed: Multi-gigabit (Gbps)

5G mmWave

Range: 5km
Speed: Up to 400Mbps



Cambium Networks™
CONNECTIVITY HERO



WE'RE EXCLUSIVE

The Australian commercial launch enacted our initial exclusivity period for GeForce NOW in Australia.



Pentanet announced plans to commercially launch GeForce NOW on 19 October 2021.

Key focus for the remainder of 2021 is on utilising the limited **Basic** free subscription as a pipeline to convert to the full-featured **Priority** subscriptions as popularity grows.

1,000+ games ready to play!

Access

Priority subscribers will skip the queue when there is one. During peak usage periods this will encourage Basic subscribers to move to a Priority subscription.

Session Times

Priority subscribers will have a 4-hour Play Sessions—increased from the 1-hour Play Sessions available to Basic accounts.

NVIDIA RTX

Priority subscribers will be able to experience today's biggest blockbusters like never before with RTX turned on. NVIDIA's RTX platform includes dedicated RT Cores for ray tracing and Tensor Cores for AI that enable groundbreaking graphical technologies.

Basic

Try it for free

1 Hour Sessions

Free Plan

\$0/mth

Priority

The best way to play

- ✓ Priority Access
- ✓ 4 Hour Sessions
- ✓ RTX ON

Special Founders Pricing

Best Value - Save \$24

Monthly Plan

\$19.99/mth

Annual Plan

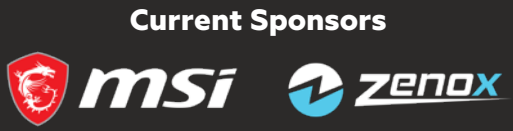
\$17.99/mth





Following a global appearance at MSI mid-year, Pentanet.GG continues to achieve great heights in the regional tournament, League of Legends Circuit Oceania (LCO). Our team placed 1st for Split 1 and 2nd for Split 2 2021.

Pentanet.GG revenue streams for the 2021 season are comprised of competition prize pools, royalties from in – client sales and sponsorships.



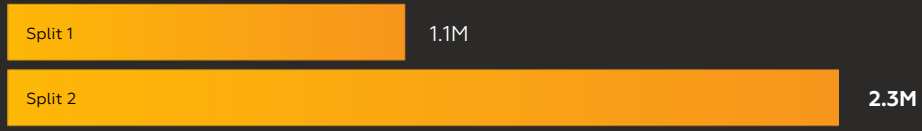
Total Q12022 revenue
\$235K

We welcome NatChats as our latest content creator

Brand deals delivered



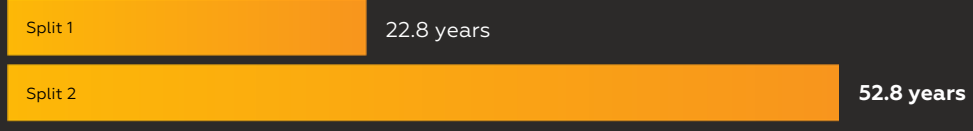
LCO 2021: Total views



LCO 2021: Peak views (average)



LCO 2021: Time watched (years)



Total views across LCO season

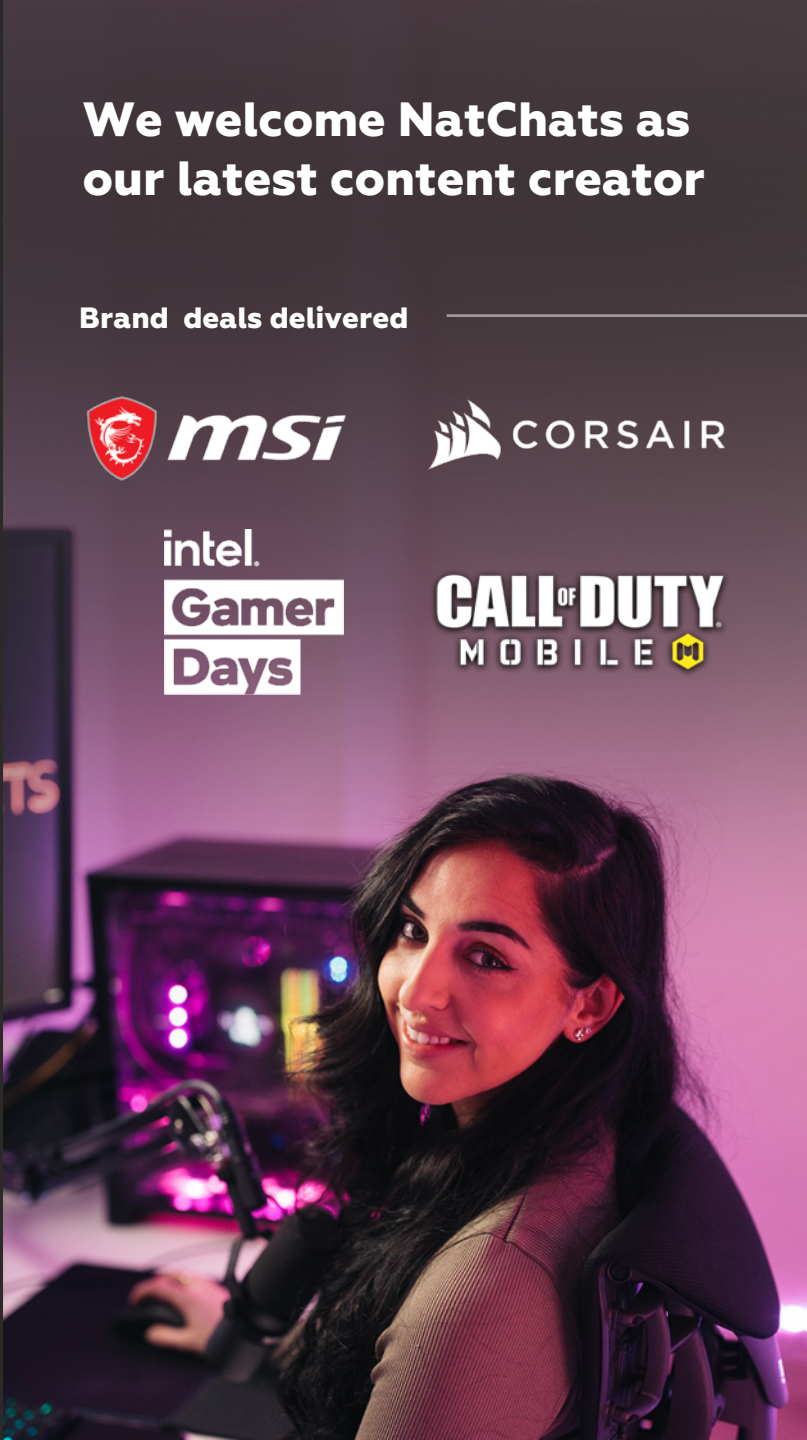
3.5M

Peak views (average) across LCO season

8.5K

Time watched (years) across LCO season

75.7



OPERATIONAL TECH TREE

(Where we at today)

PROJECT
GIGALINK



Plan mass deployment and secure hardware supply

Cloudgg



Integrate CloudGG gamified user experience

GEFORCE NOW
POWERED BY
PENTANET



Connect to PentaCore



5G upgrades



Larger scale deployment 'neXus'



Region by region coming online



Commercialisation and release of plans



CloudGG Beta testing



Customer ready



Continued development of features



GeForce NOW beta testing



Commercial launch October 2021

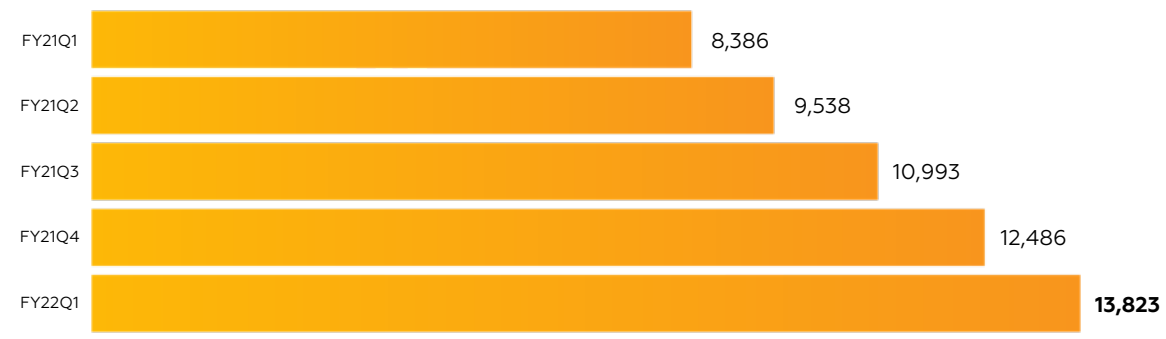


Evolve business model

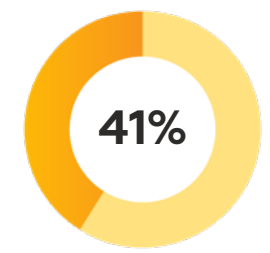
FINANCIAL HIGHLIGHTS

FY22Q1

TOTAL SUBSCRIBERS



On-net customers in FY22Q1



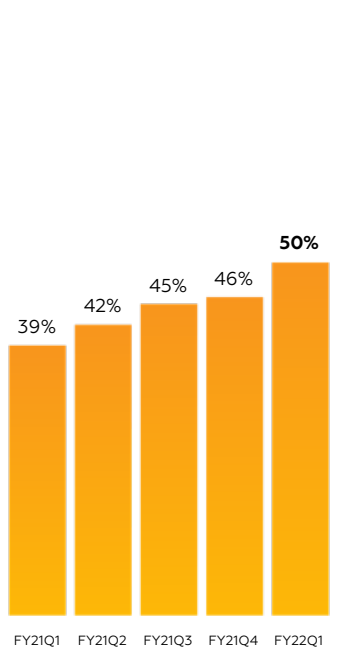
↑ 11%
QoQ

0.80%
Churn

\$92
ARPU

GROSS MARGINS

Gross Margin
↑ 9%
QoQ



Fixed Wireless Gross Margin

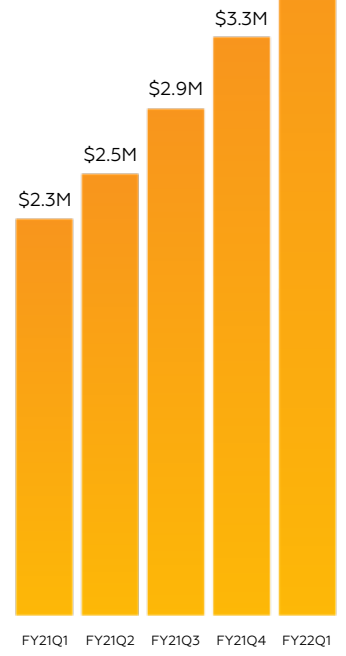
↑ 1%
QoQ



REVENUE & GROSS PROFIT

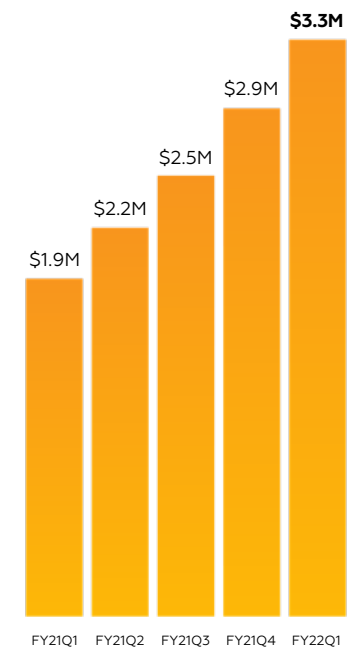
Total Sales Revenue

↑ 18%
QoQ



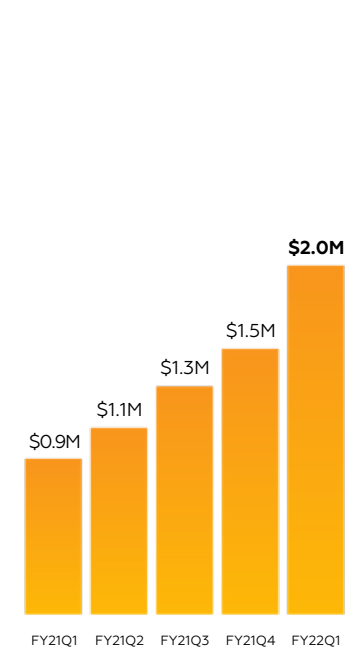
Recurring Revenue

↑ 14%
QoQ



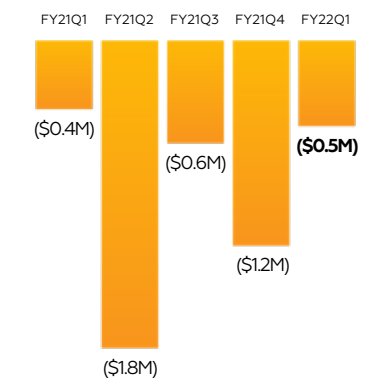
Gross Profit

↑ 33%
QoQ



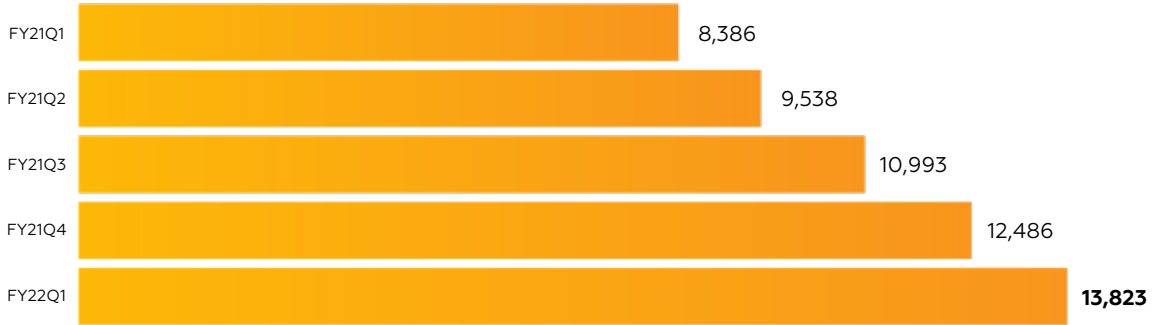
UNDERLYING EBITDA

↑ 58%
QoQ

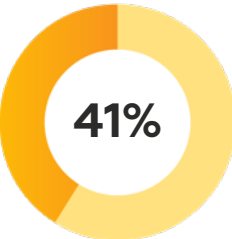


EBITDA is a financial measure which is not prescribed by Australian Accounting Standard (AAS) and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude share-based payments, options exercised on behalf of employees and IPO cost.
Gross Profit Margin is a measure of profitability that shows the percentage of revenue that exceeds the cost of goods sold (COGS). Cost of goods sold consist of network, carrier and hardware expenses.

TOTAL SUBSCRIBERS



On-net customers in FY22Q1



11%
QoQ

0.80%
Churn

\$92
ARPU

Total Subscribers

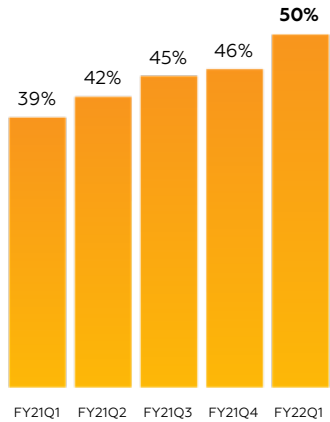
- 65% YoY increase in subscribers to 13,823 (+11% QoQ).
- Churn decreased from 0.91% in Q4 FY21 to 0.80% Q1 FY22 indicating customer stickiness
- On-net (Fixed Wireless) customers made up 41% of total subscribers
- ARPU increased from \$91 in Q4 FY21 to \$92 Q1 FY22
- Fixed Wireless ARPU increased from \$86 Q4 FY21 to \$88 Q1 FY22



GROSS MARGINS

Gross Margin

 **9%**
QoQ



Fixed Wireless Gross Margin

 **1%**
QoQ



Gross Margins

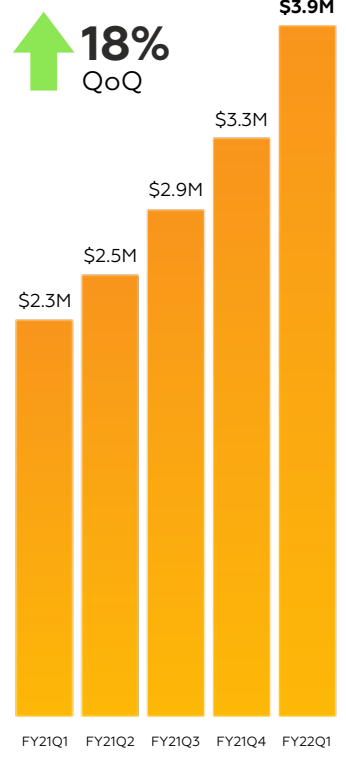
- 28% YoY increase in gross margin to 50% (+9% QoQ)
- \$0.2m non-recurring income generated by Pentanet.GG included in revenue and further gradual improvement in ARPU from \$91 in Q4 FY21 to \$92 in Q1 FY22, supporting a 10% increase in gross margin.
- The Fixed Wireless service offering provides superior margin potential, as is evident in fixed wireless gross margin improving from 86% Q4 FY21 to 87% in Q1 FY22 (+9% YoY).

Revenue & Gross Profit

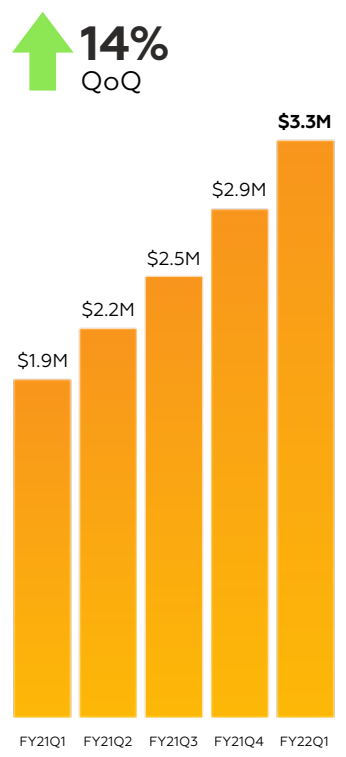
- 70% YoY increase in revenue to \$3.9m (+18% QoQ)
- 74% YoY increase in recurring revenue to \$3.3m (+14% QoQ), representing 85% of total revenue
- \$0.2m non-recurring income generated by Pentanet.GG included in revenue
- 122% YoY increase in gross profit to \$2.0m (+33% QoQ) reflects the increasing scale and cost efficiencies from network upgrades and gradual improvement in ARPU from \$91 in Q4 FY21 to \$92 in Q1 FY22.

REVENUE & GROSS PROFIT

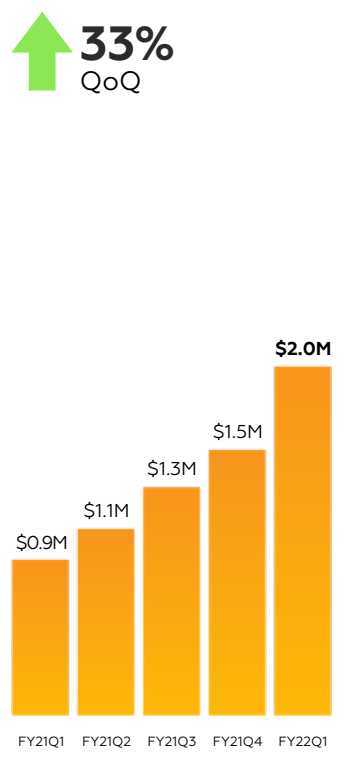
Total Sales Revenue



Recurring Revenue



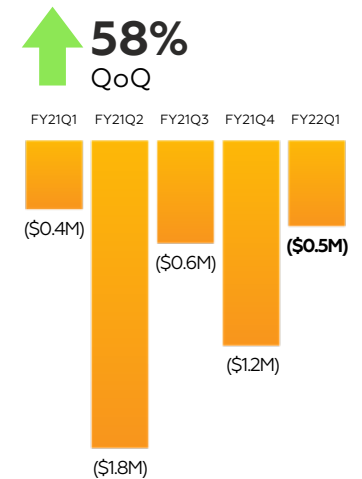
Gross Profit



Underlying EBITDA

- Increased growth investment driving EBITDA loss
- The benefit of increased growth investment in our people, platforms, and network is evident in all key metrics with continued strong revenue growth, growing subscriber base and decreasing churn rates in the highly competitive Telco market.
- EBITDA continues to trend in the right direction, giving us greater conviction in our capacity to produce operating leverage as the fixed wireless network expansion continues.

UNDERLYING EBITDA



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.

Gross Profit Margin is a measure of profitability that shows the percentage of revenue that exceeds the cost of goods sold (COGS). Cost of goods sold consist of network, carrier and hardware expenses.

ONGOING STRATEGY (continues)

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 Alliance Member bringing cloud gaming service to Australia
- Continue development of premium brand for alignment to speed and quality

THANK YOU

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