

PENTANET PARTNERS WITH CANOPUS NETWORKS TO CREATE ADDITIONAL REVENUE OPPORTUNITIES IN [CLOUD.GG](#)

HIGHLIGHTS:

- Pentanet has acquired a 13.4%¹ stake in CANOPUS for \$4m in cash. Pentanet will be the largest shareholder in CANOPUS behind the IP Group.
- CANOPUS is a market leader in providing deep application-aware network visibility using Artificial Intelligence and Programmable Networking. It combines Programmable Networks with Machine Learning to enable deep visibility into network traffic, in real-time, at terabit scale, and for low cost.
- Pentanet has executed an MOU to enter a strategic partnership with CANOPUS including a commitment to invest \$1.5M of CANOPUS funds in the development of a consumer facing gaming loyalty and reward program that will fully exploit Canopus' real-time gaming analytics capability.
- The partnership will enable exclusive co-development of Pentanet's unique gamified telecommunications and gaming loyalty platform, Cloud.GG, using CANOPUS' analytics technology.
- Designed by Pentanet as a gamified rewards system, the Platform will use CANOPUS analytics for deep insight into network traffic to offer a unique network loyalty and incentive program.
- The partnership is consistent with Pentanet's strategy to create additional revenue generating opportunities by further developing the Cloud.GG portal into a gamified network loyalty, rewards, and incentive program.
- The transaction will be funded from Pentanet's existing cash reserves and is expected to complete on or around 24 December 2021. The Pentanet capital raising on 18 June 2021 allocated \$4m towards further Cloud.GG software development and Pentanet.GG gaming opportunities.
- Pentanet is entitled to appoint one director to the CANOPUS board while it holds at least a 10% stake in CANOPUS. Mr Stephen Cornish has provided CANOPUS with his consent to act as director of CANOPUS.

¹ Canopus has flexibility to place additional investment up to a maximum of \$1,850,000, within three months after 24 December 2021, which would decrease Pentanet's Ltd holding to 12.6% fully diluted.

Pentanet Limited (ASX:5GG, Pentanet or Company) is pleased to announce that it acquired a 13.4% stake in CANOPUS. Pentanet has executed an MOU to enter a Strategic partnership with CANOPUS. The agreement proposes Pentanet to use CANOPUS analytics as a component in the expansion and co-development of Pentanet's customised gamified network loyalty and incentive platform (Platform), which will be a unique product owned by Pentanet.

Designed by Pentanet as a gamified rewards system, the Platform will use the CANOPUS analytics for base network insight to offer a unique network loyalty and incentive program that will create additional recurring revenue-generating opportunities for the Company.

CANOPUS will allocate \$1.5 million engineering resources to assist Pentanet in building the Platform.

Born out of the University of New South Wales, CANOPUS Networks combines programmable networks (software-defined networking) with machine learning to enable deep visibility into network traffic, in real-time, at terabit scale, and for low cost.

Pentanet will pay \$4 million to purchase a 13.4% fully diluted stake, to be funded from existing cash reserves. Pentanet is entitled to appoint one director to the CANOPUS board while it holds at least a 10% stake in CANOPUS. Mr Stephen Cornish has provided CANOPUS with his consent to act as director of CANOPUS.

Pentanet Managing Director, Mr Stephen Cornish, said that Pentanet's investment in CANOPUS and strategic partnership agreement is pivotal to the progression of the Pentanet business to incorporate a software platform that rewards users on its network and gamifies the cloud gaming experience within the Cloud.GG portal.

"One of the benefits of being at the forefront of telecommunications is having exposure to new industry changing technologies. I have seen the development and progress of CANOPUS for many years, and always thought the technology could be used to underpin the platform that will tie all of our business segments together via Cloud.GG. The Flow Pulse technology does for encrypted traffic on a network what Shazam does for music, offering deep visibility to identify and the opportunity to reward user activity.

"Becoming a major stakeholder in CANOPUS is a huge opportunity for Pentanet, and enables the accelerated success of the Cloud.GG platform being fully ready for market," said Mr. Cornish.

"Gaming is a significant market, reportedly three times larger than video streaming. It also has some interesting and challenging technical requirements for which CANOPUS is ideally suited. The strategic partnership and investment with Pentanet will mean that Canopus can fast track into the gaming space in a cutting-edge environment", said CANOPUS founder and CEO, Dr Vijay Sivaraman.

The Managing Director of IP Group Australia, Dr Michael Molinari, said: "We continue to be impressed by the world-leading platform that Vijay and the team have developed at Canopus from the original research at UNSW Sydney, and are very happy to be supporting the company as it enters the next phase of growth".

SCHEDULE – KEY TRANSACTION TERMS

- Pentanet to acquire 13.4% of the fully diluted share capital of Canopus Network Pty Ltd
- \$4 million for the purchase of 13.4% of Canopus Networks Pty Ltd paid out of existing cash
- Pentanet anticipates completion of the transaction on or around 24 December 2021
- CANOPUS will allocate \$1.5 million engineering resources to assist Pentanet in building the Platform
- Pentanet is entitled to appoint one director to the CANOPUS board while it holds at least a 10% stake in CANOPUS. Mr Stephen Cornish has provided CANOPUS with his consent to act as director of CANOPUS.
- Standard representations and warranties for this type of commercial arrangement
- Entry into a binding strategic partnership agreement is subject to further negotiations and there is no guarantee that Pentanet will enter into such agreement on the terms outlined.

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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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.



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