



ASX : 5GG

**INVESTOR UPDATE
Q3 FY25**

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AGENDA

01
**INTRODUCTION
AND
KEY HIGHLIGHTS**



STEPHEN CORNISH
MANAGING DIRECTOR

02
**STRATEGY
UPDATE**

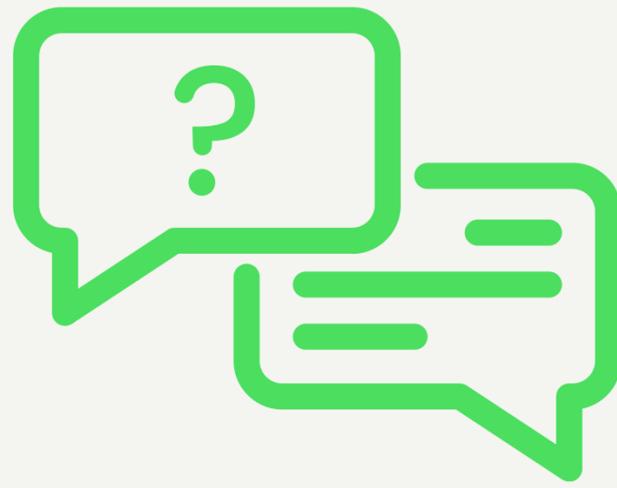


03
**FINANCIAL
RESULTS**



MART DERMAN
CHIEF FINANCIAL OFFICER

04
Q&A



INTRODUCTION AND SUMMARY OF RESULTS



We're pleased to share Pentanet achieved another positive EBITDA quarter in Q3, continuing positive financial growth momentum.

This demonstrates that the company has a strong financial foundation to support our upcoming growth objectives.

This quarter's performance reflects the ongoing momentum across both core business segments and reinforces our confidence in the path ahead.



STEPHEN CORNISH
FOUNDER & MANAGING DIRECTOR

Key Financial Highlights from Q3 FY25

- ✔ EBITDA increased 17% QoQ^① to \$0.7m
- ✔ Second consecutive quarter^② +EBITDA
- ✔ Consolidated Revenue increase of 10% on PcP
- ✔ Consolidated gross profit increased 21% on PcP
- ✔ Gaming revenue up 29% on PcP

① 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.

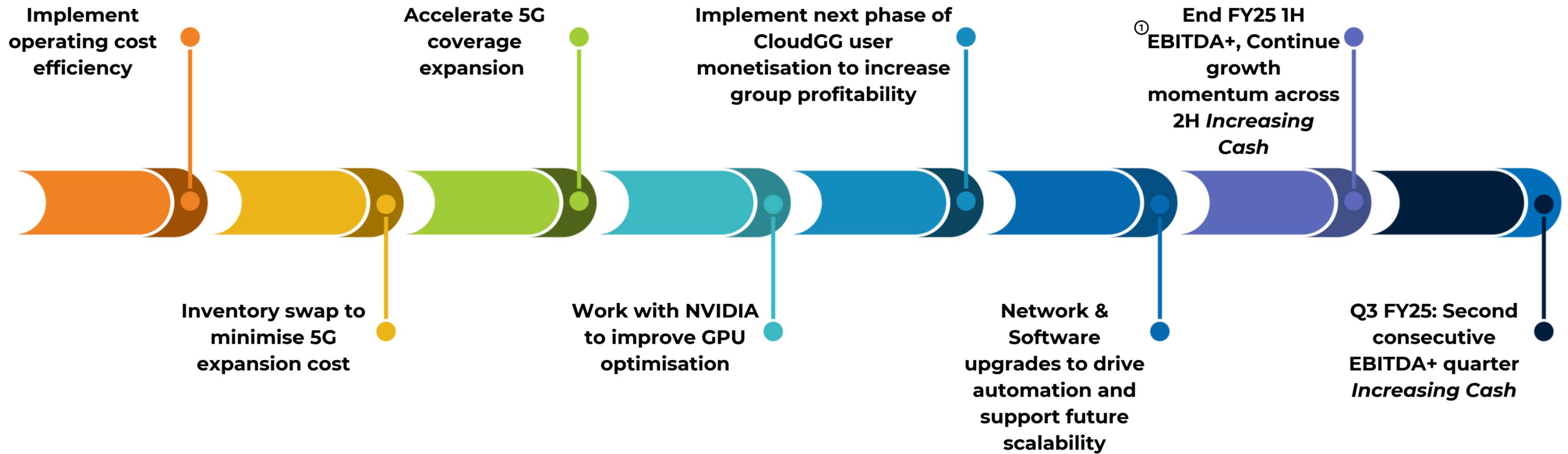
② Q1FY25 EBITDA included one-off restructuring costs of \$0.25m

FY25 Key Objectives

-  Establish and operate from a sustainably profitable foundation
-  Expand network footprint to support future growth plans
-  Increase NVIDIA cloud GPU optimisation and capacity headroom
-  Increase revenue and margin as we set the stage for new growth
-  Prepare for new 5G product launch

FY25 Strategic Delivery

Amidst other operational initiatives, these were the **key** objectives completed which underpinned our forward strategy



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Incremental User Growth as 5G Coverage Scales

Resources are focused on coverage and capacity expansion to facilitate returning to high growth

To drive a competitive on-net offering in market, we need the Ultrafast capability of 5G

The strategy is to cast a wider coverage net, to allow for broader marketing whilst further reducing CAC

5G subscribers are still being added as we go, with targeted marketing initiatives

Total

Q2FY25

Q3FY25

Opening Balance

17,732

17,856

Gross New Subscribers

791

823

Churn

(667)

(677)

Closing Balance

17,856

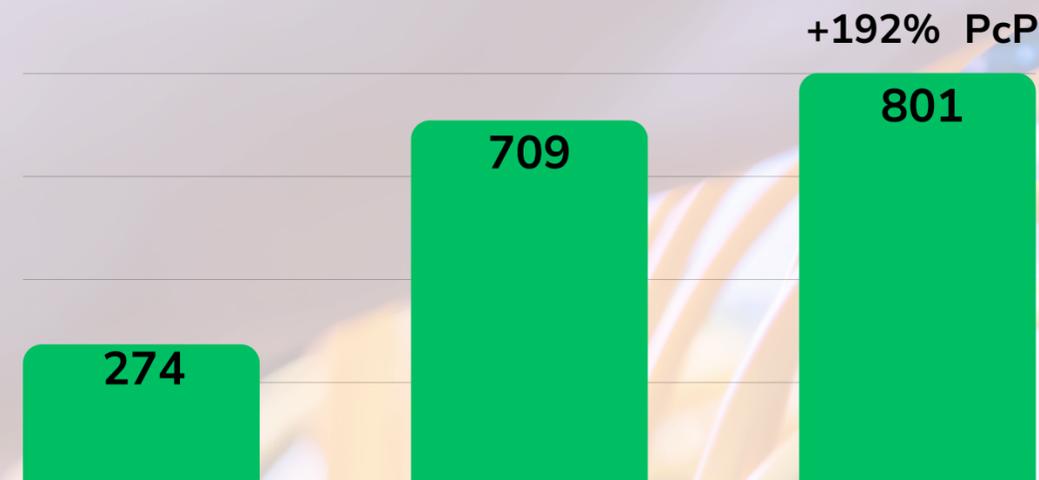
18,002

Average Monthly Churn

1.2%

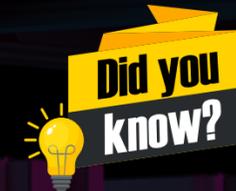
1.3%

5G QoQ Growth



Net subscriber growth is still present, but we must expand our catchment/coverage, and launch 5G at scale in market to return Telco to high growth.

NVIDIA Cloud Strategy



Every month, our free users play for over 20 million minutes on our infrastructure. That would equate to one person gaming 24 hours a day for **FOURTY YEARS.**

2024

Own & Operate the Largest Commercial Deployment of NVIDIA GPU's in the Country, Profitably

Profitable Gaming Platform

Evolve Freemium to Paid conversion, as Captured Userbase Matures

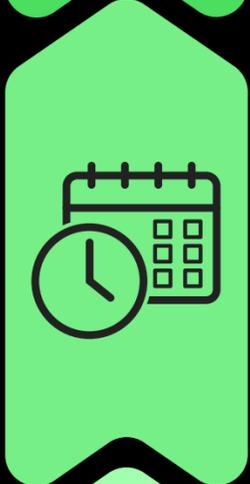
Demonstrate Margin Uplift at Each Optimisation inflection

Oversubscription Efficiency & Margin Continually improves with Scale

Scale Existing Infrastructure and expand Offering to enable 4K high FPS

Freemium adoption to grow market awareness - Currently 696,000 Users

Deploy and Launch service in Australia, Retaining exclusivity



I WONDER IF THERE WILL BE OTHER USE CASES FOR RUNNING HIGH-END NVIDIA GPUS AT SCALE IN THE NEAR FUTURE?



2021



Increase Market Awareness



Adopt & Convert Users



Increase value offering to gamers. Layer commercial GPU revenue on idle capacity.

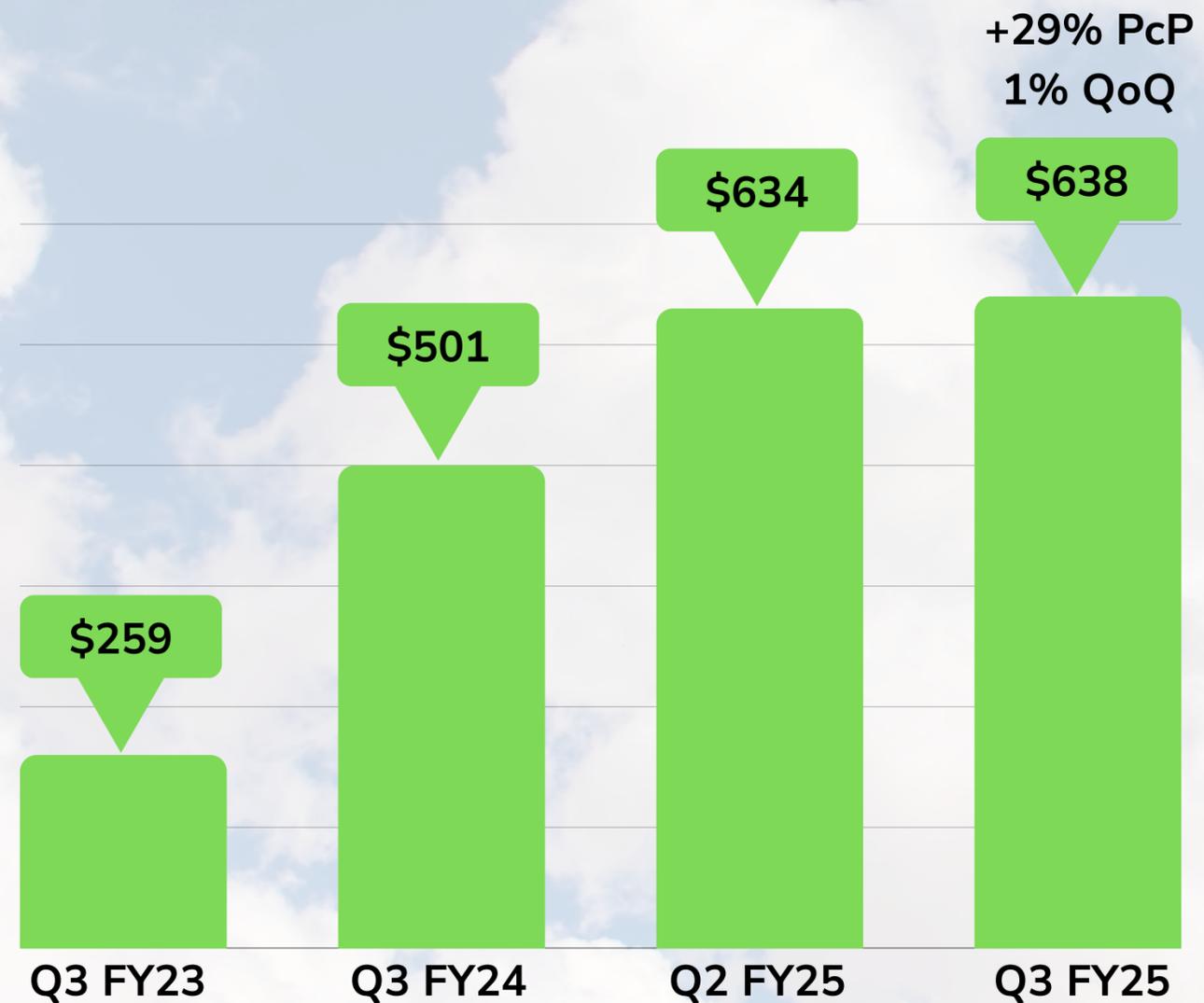


Scale. Expand. Optimise.



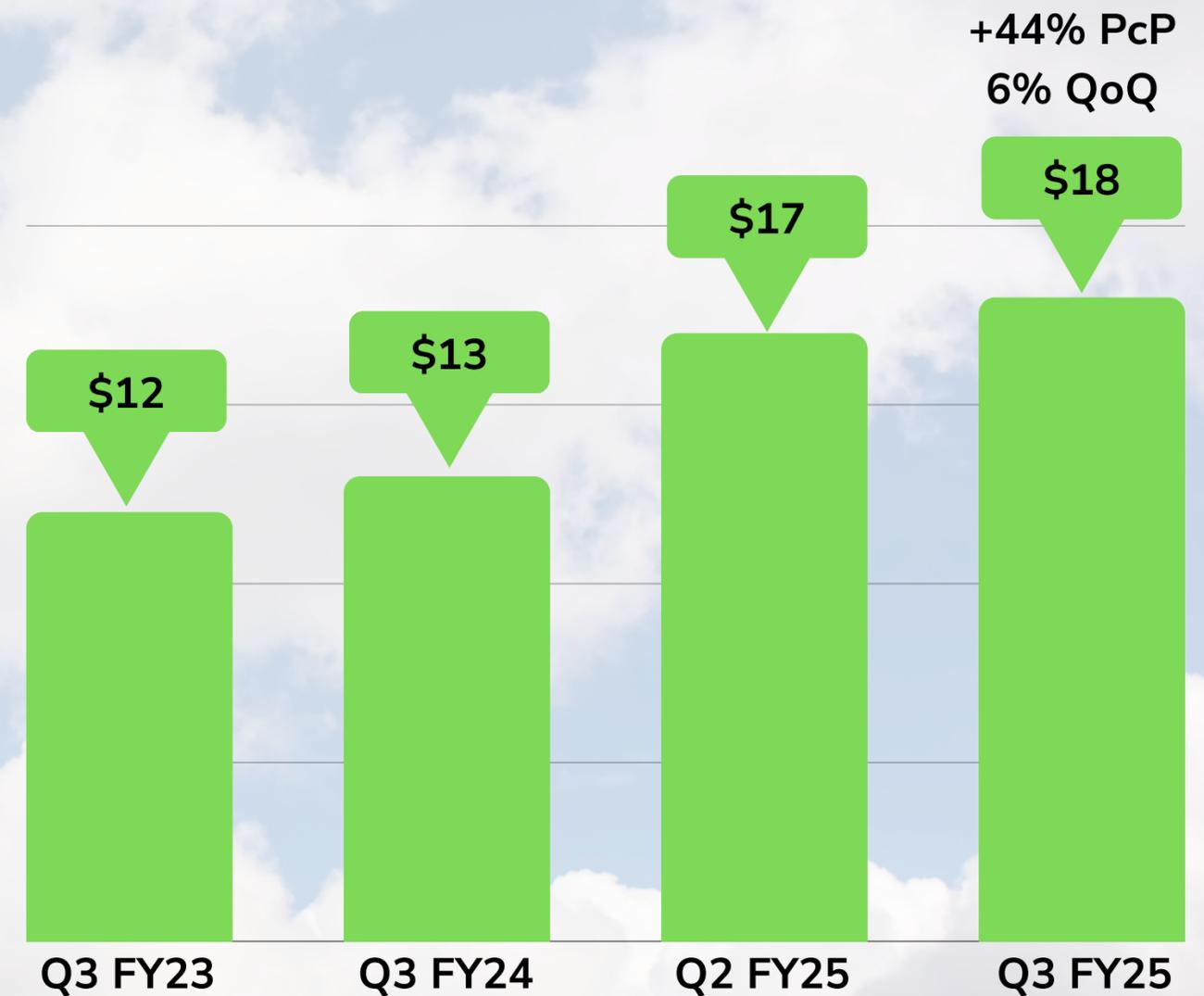
Revenue Uplift Remained Following Margin Optimisation

Gaming Revenue \$'000



+29% PcP
1% QoQ

ARPU



+44% PcP
6% QoQ

Q3 FY23

Q3 FY24

Q2 FY25

Q3 FY25

Q3 FY23

Q3 FY24

Q2 FY25

Q3 FY25

Prior Comparative Quarters

This Financial Year

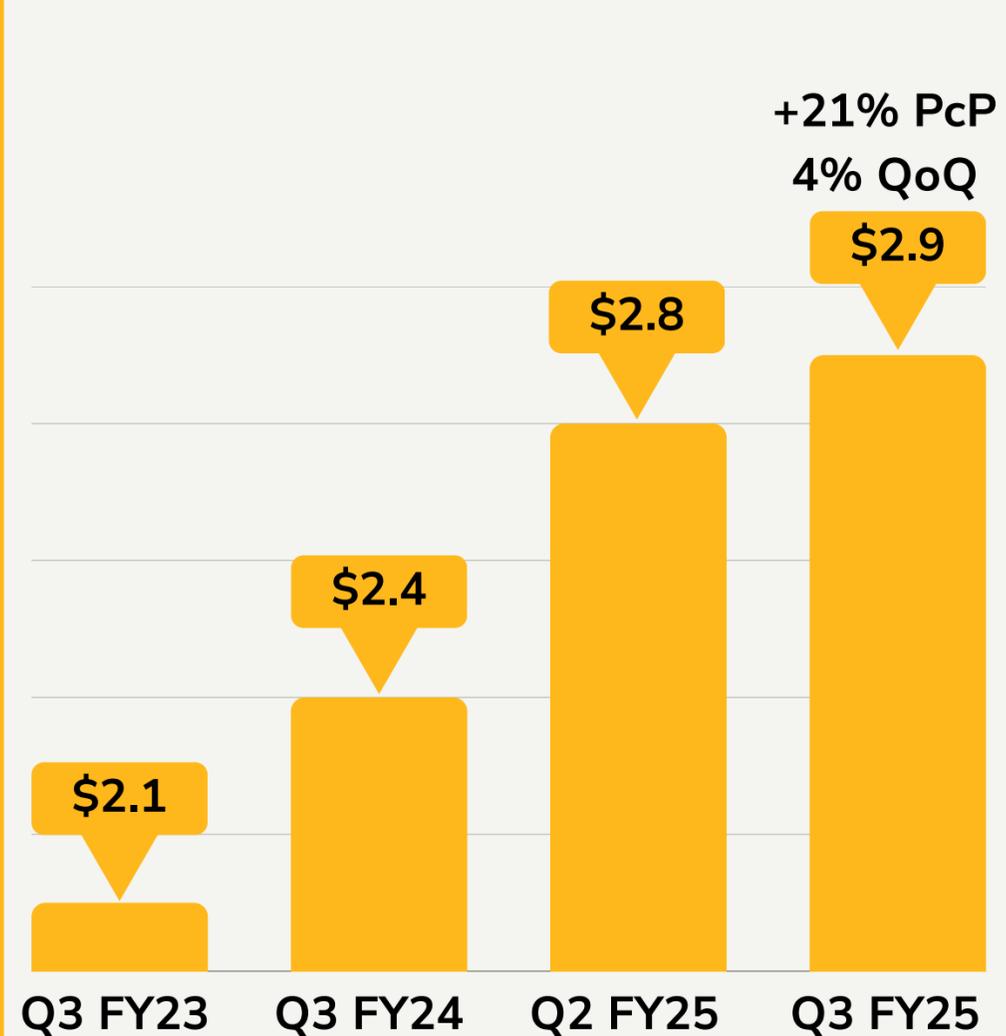
Monetisation strategy evolving—targeting retention, ARPU growth, and platform efficiency.

EBITDA Momentum Continues as Gross Profit Improves

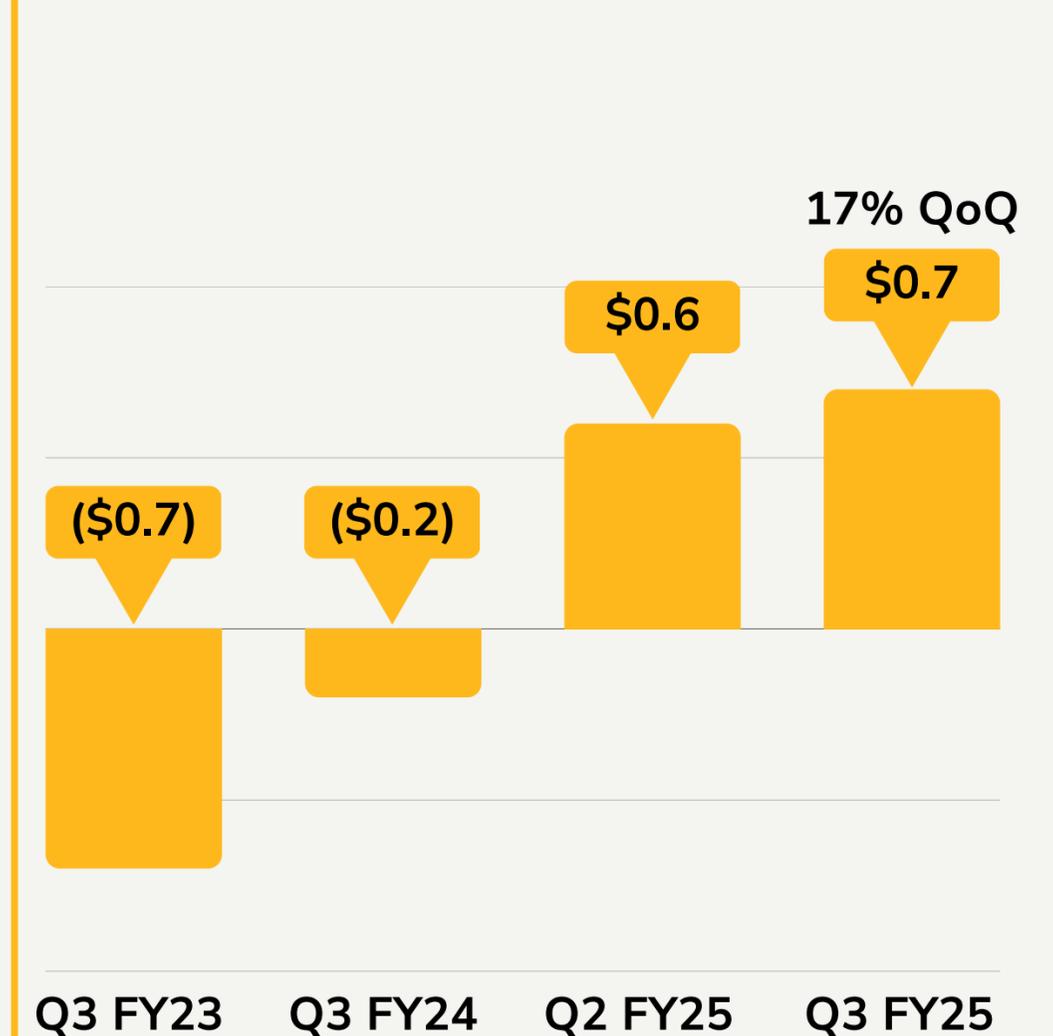
Revenue (\$m)



Gross Profit (\$m)



^①EBITDA (\$m)



Margin-accretive growth driven by operational efficiency and pricing strategy

^① 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.

FINANCIAL RESULTS



Our **Q3** performance reflects the benefits of disciplined execution and ongoing operational optimisation. We maintained stable revenue, delivered our second consecutive EBITDA-positive quarter, and continued to improve gross margins.

Through careful cost control and strategic prioritisation, we preserved cash while supporting targeted growth across both core business segments.

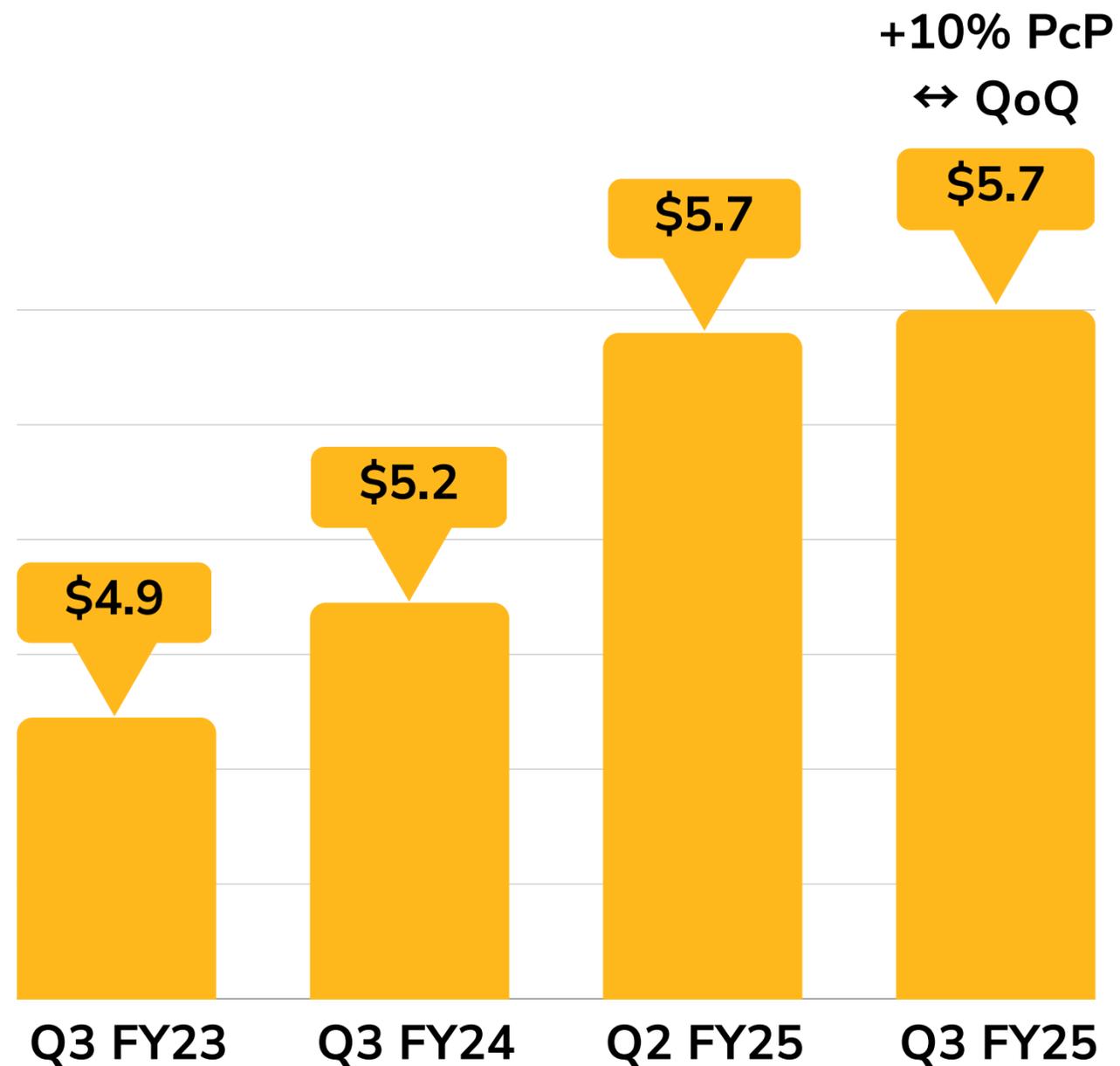
This quarter reinforces the strength of our financial foundations and our focus on sustaining momentum through the remainder of FY25.



MART DERMAN
CHIEF FINANCIAL OFFICER

Telco and Cloud Strategies Support Revenue

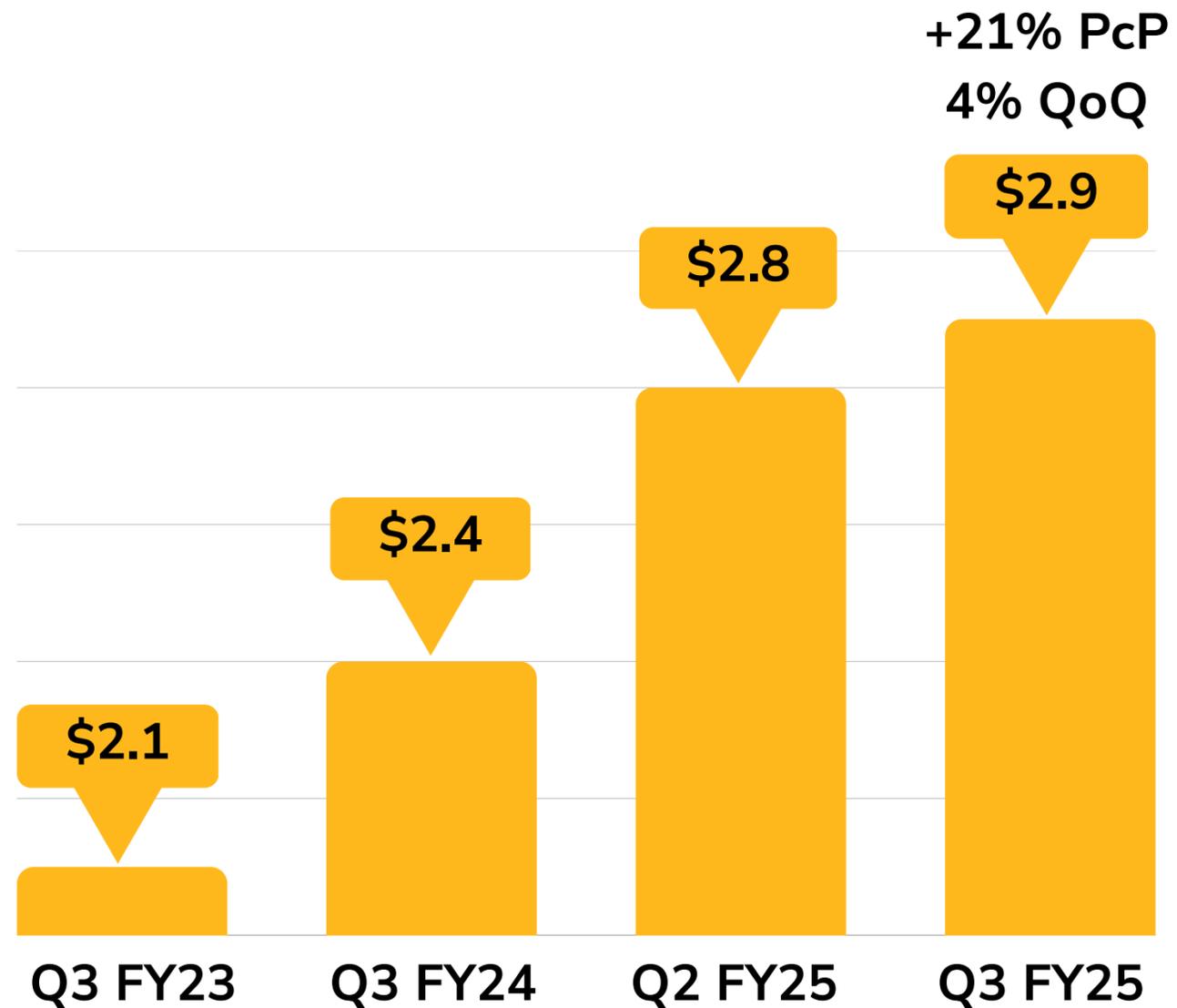
Revenue (\$m)



- **Group revenue** of \$5.7 million, up 10% on PcP and stable QoQ
- **Telecommunications recurring revenue** up 9% on PcP and 2% QoQ to \$5.1 million, supported by ongoing subscriber growth and network expansion
- **Gaming revenue** increased 29% on PcP and 1% QoQ, driven by membership growth and pricing adjustments
- **Cloud Gaming ARPU** up 6% QoQ to \$18, reflecting improved monetisation from premium plans

Consolidated Gross Profit Update Across Segments

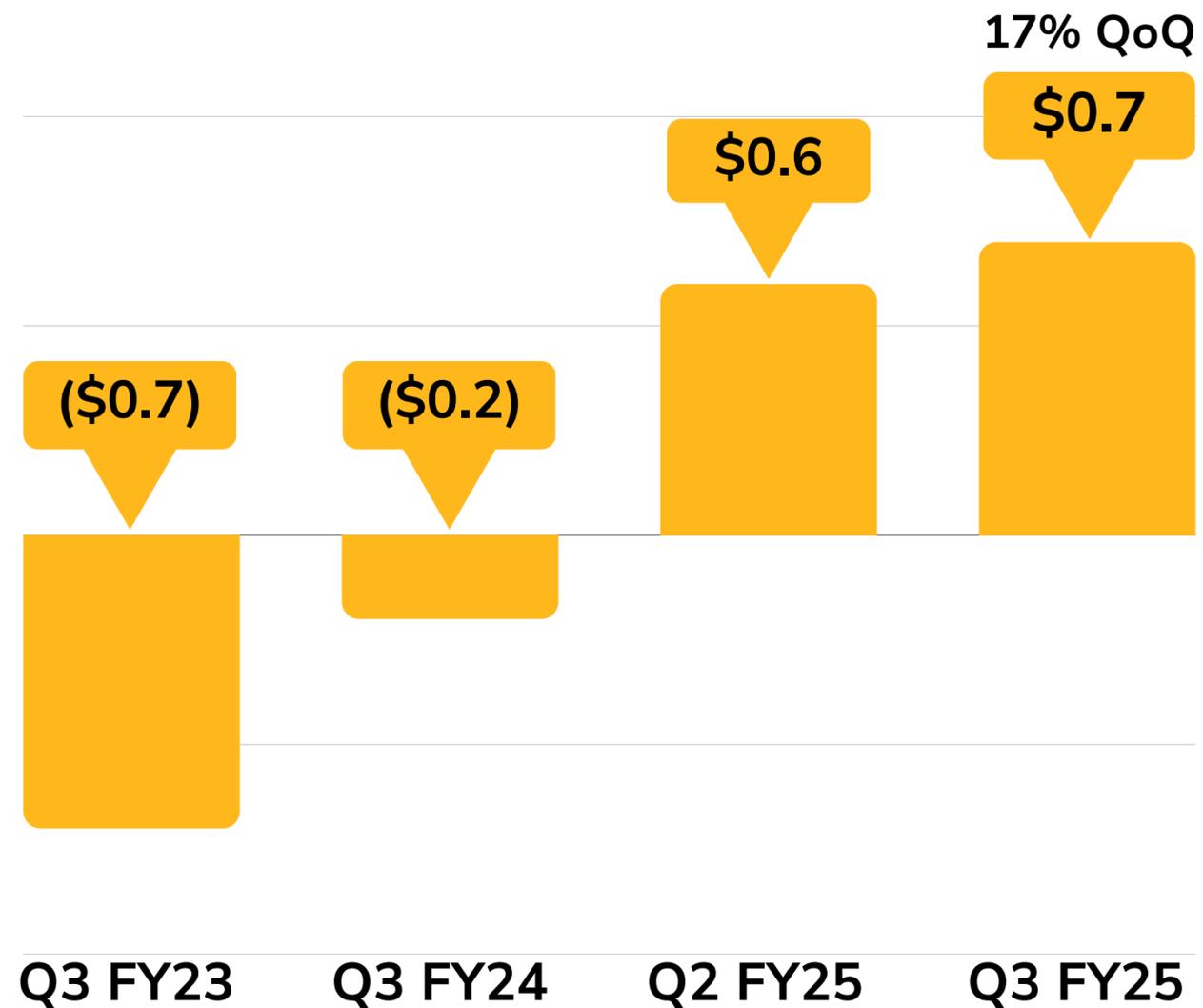
Gross Profit (\$m)



- **Gross profit** of \$2.9 million, up 21% on PcP and 4% QoQ, reflecting strong operational execution
- **Consolidated gross margin** increased 2pp to 51%, driven by improvements across both business segments
- **Telecommunications gross margin** rose 1pp to 49%, supported by recurring revenue growth and NBN margin optimisation
- **GeForce NOW gross margin** remained at 66%, benefiting from earlier pricing adjustments and platform efficiencies

Second Consecutive EBITDA-Positive Quarter

^①EBITDA (\$m)



- EBITDA increased 17% QoQ to \$0.7 million, marking Pentanet's second consecutive EBITDA-positive quarter
- **Segmental contribution** remained strong, with Telecommunications EBITDA up 50% QoQ to \$0.3 million and Gaming EBITDA up 2% to \$0.4 million.
- **EBITDA uplift** driven by margin expansion, recurring revenue growth, and disciplined cost management
- **Cost efficiencies** from platform optimisation and supplier negotiations continued to support improved profitability
- Pentanet remains committed to sustainable cost discipline, while continuing to invest in strategic initiatives that support long-term growth.

Positive operating cash flow, driven by improved EBITDA performance

- Net cash position improved by **\$0.1m**, supported by positive operating cash flow
- **Operating cash flow remained positive at \$0.8m**, reflecting EBITDA growth and improved working capital management
- Closing cash balance as of 31 March 2025 was **\$2.3m**



| | Q3 FY25 \$m | Q2 FY25 \$m | Change QoQ \$m |
|---------------------------------------|-------------|-------------|----------------|
| Cash and cash equivalents | 2.3 | 2.2 | +0.1 |
| Net operating cash inflow | 0.8 | 0.9 | -0.1 |
| Net cash used in investing activities | (0.5) | (0.3) | -0.2 |
| Net cash used in financing activities | (0.1) | (0.2) | +0.1 |
| Net cash movement | 0.1 | 0.4 | -0.3 |

Wrapping up, key takeaways

- ✓ Delivering Second^① EBITDA+ Quarter
- ✓ Aim to doubling of 5G coverage across FY25 is on track
- ✓ Increased NVIDIA Cloud GPU Optimisation
- ✓ We expect financial growth to continue across Q4 FY25

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Q & A



Glossary

ARPU (Average Revenue Per User)

A key performance indicator that calculates the average revenue generated per user or subscription over a specific period, often used to measure the revenue of individual customers. ARPU is calculated.

CAC (Customer Acquisition Cost)

The total marketing cost associated with acquiring a new customer, including expenses for marketing and other related efforts, is divided by the number of new customers gained.

CPE (Customer Premises Equipment)

Devices located at a customer's premises and used to access telecommunications or internet services, such as routers, modems, or set-top boxes.

Churn

Churn is the rate at which customers discontinue their subscriptions or services with the company over a specific period, often expressed as a percentage. It is calculated by dividing the number of customers lost during a period by the total number of customers for that period.

FPS (Frames Per Second)

A measurement of how many individual frames are displayed per second in a video or game. Higher FPS typically results in smoother motion and better visual performance.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation)

A financial metric measures a company's operational profitability by excluding the effects of financing and non-cash expenses. 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.

GPU (Graphics Processing Unit)

A specialised electronic circuit designed to accelerate the rendering of images, video, and 3D graphics, widely used in gaming, AI, and cloud computing applications.

PcP (Prior Corresponding Period)

A comparison of a company's performance or metric in a given period to the same period in the previous year, providing insights into year-over-year trends.

pp (Percentage Points):

A unit used to describe the absolute difference between two percentages.

QoQ (Quarter-on-Quarter)

A comparison of a company's performance or metric between one fiscal quarter and the immediately preceding quarter, used to assess short-term trends.

Subscribers:

The number of individuals actively enrolled in and paying for a company's services on a recurring basis.

YTD (Year-to-Date):

A time-based metric that refers to the period starting from the beginning of the current calendar or fiscal year up to the present date. It is often used to measure performance or progress over the year.