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PENTANET

5GG INVESTOR UPDATE

Q2FY24



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1HFY24 Key Strategic Objectives Update

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TELECOMMUNICATIONS

-  EBITDA+ (breakeven maintained across 1HFY24)
-  Rollout of 5G infrastructure to a total of 8 towers to enable 5G launch
-  Commercial launch of 5G wireless services for residential and business subscribers
-  Greenfield neXus deployment planning completed
-  Overhaul/simplification of plans and launch of new website for optimised user experience and automation

CLOUD GAMING

-  EBITDA+
-  Installation and commercial launch of Gen3 GeForce NOW hardware, allowing higher tier plans
-  Launch of Optus SubHub integration for retail push of paid subscriber growth



Telecommunications Update

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RETURNING TO GROWTH

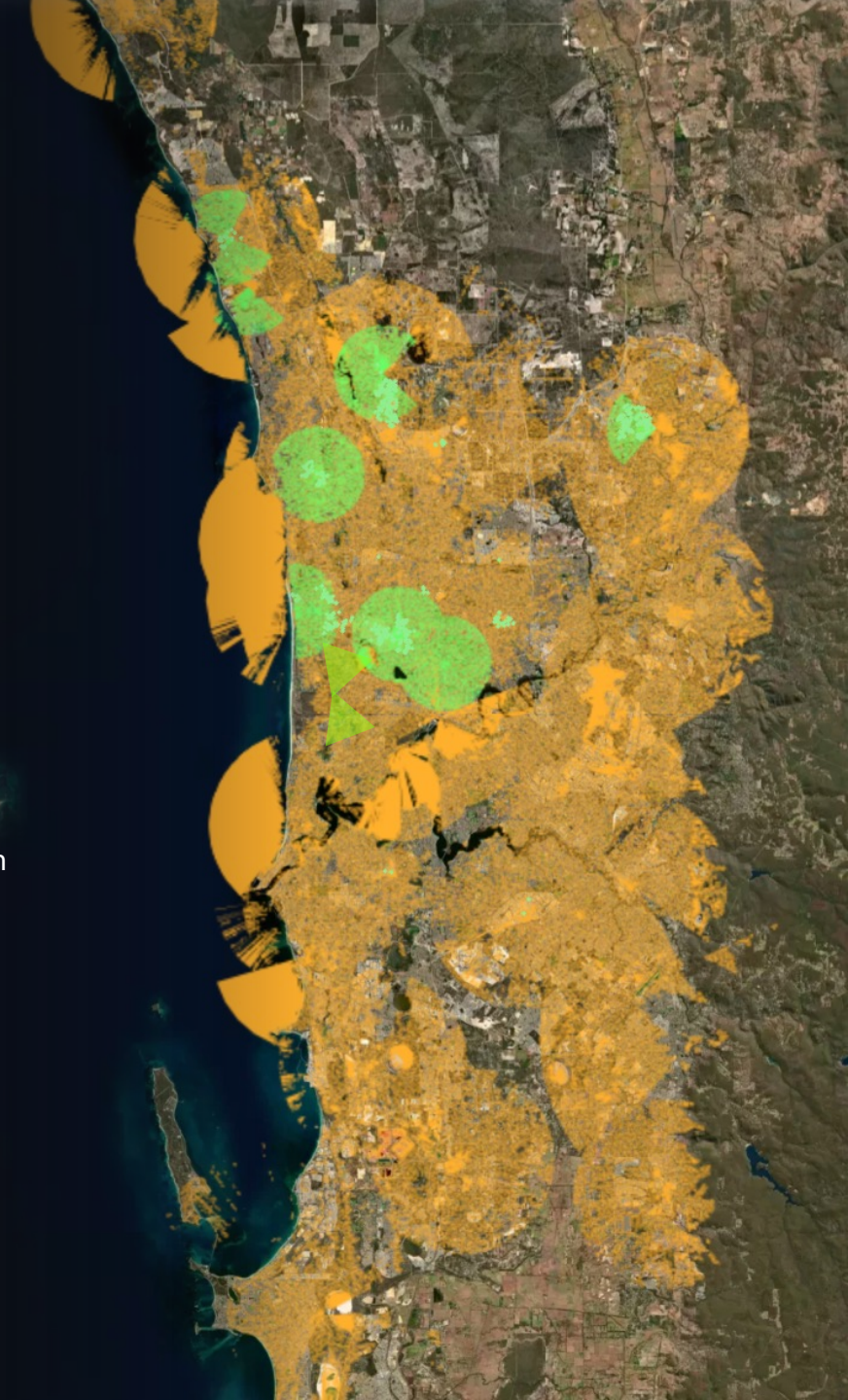
- On-net run rate showed improvement within the six-week window from 5G launch
- Overall churn slowed marginally, expected to decrease with new retention initiatives
- New nbn@ pricing launched 1 Jan 2024 in line with Special Access Undertaking (SAU)
- Fibre to the Premises upgrade program now live for off-net areas

ON-NET SERVICE OFFERING

- 8 towers with 5G Infrastructure utilising 5G 26GHz mm Wave Spectrum deployed and live
- New wireless plans launched end October 2023 allowing six-week installation period before Xmas
- neXus greenfield deployment strategy has commenced based on the finalised network topology design for optimal performance and redundancy

FINANCIAL STRATEGY

- Utilise \$5.95m Cambium 'Network-as-a-Service' (NaaS) vendor financing for 5G rollout
- NaaS model spreads 5G CAPEX over 48 months and covers both tower and customer infrastructure
- neXus rollout utilises existing hardware stock
- Targeting to retain average +85% gross margin and ~\$89 ARPU for on-net services



Telecommunications Growth

KEY METRICS

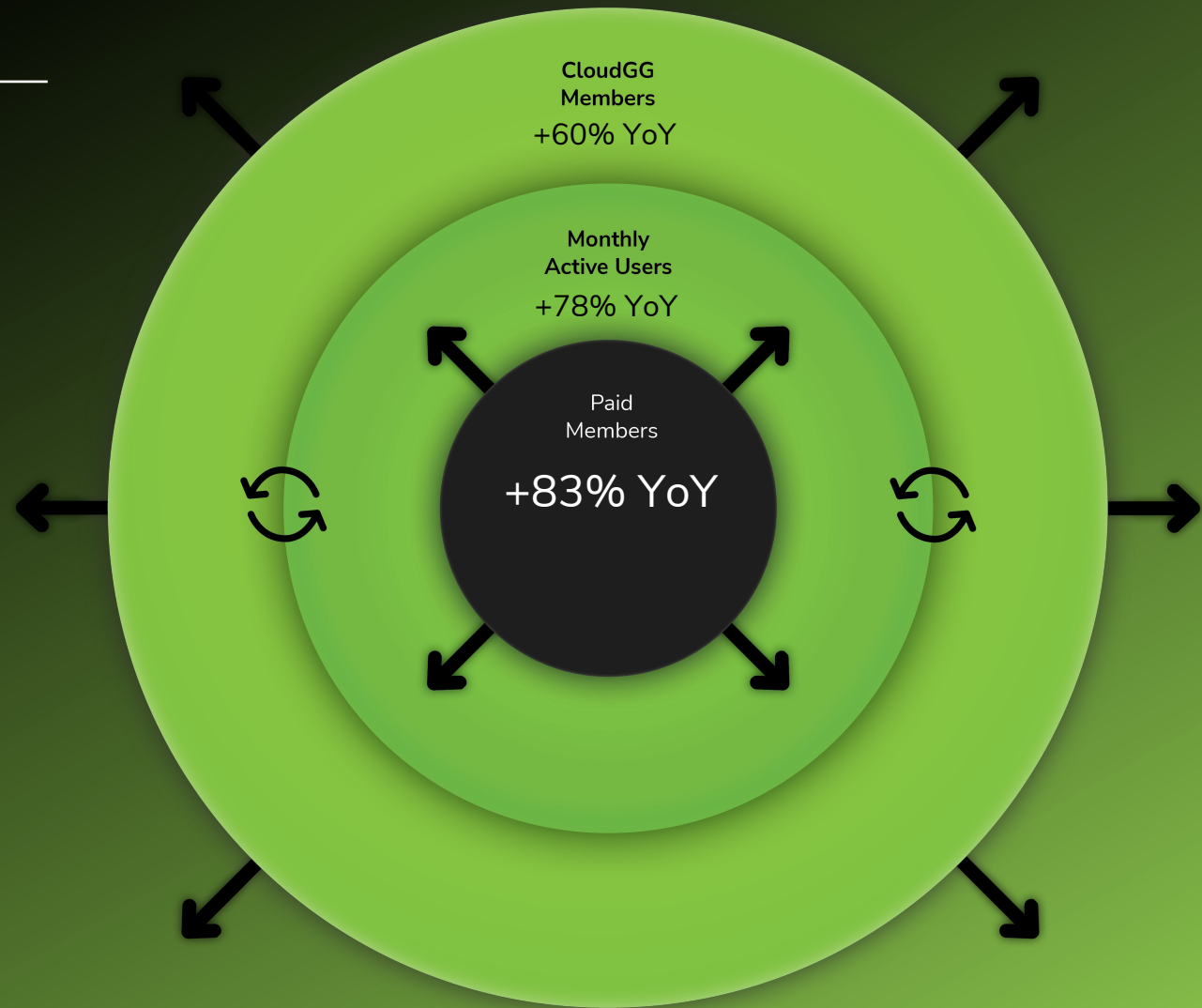
- Q2FY24 closed with a total of 17,100 subscribers
- On-net subscriber installs were up 24% QoQ, for the six weeks following 5G Fixed Wireless launch end October 2023 - Xmas
- On-net customers now constitute 40% of total subscribers (39%: Q1FY24)
- Churn rate decreased to 1.43% per month.
- Strategies in place to further decrease churn, with retention initiatives and new pricing strategies in 2HFY24
- Blended ARPU increased to \$93 (Q1FY24: \$91)
- On-net ARPU decreased to \$87 (Q1FY24: \$88) due to new competitive on-net plans
- On-net margin remained stable at 90%
- Offnet (nbn[®]) growth expected to return 2HFY24 with new pricing launched Jan 1st, in-line with more competitive wholesale costs
- Off-net margin increased to 21% (Q1FY24: 19%) with new nbn[®] SAU pricing

Subscribers	Q1FY24			Q2FY24		
	On-net	Off-net	Total	On-net	Off-net	Total
Opening Balance	6,692	10,362	17,054	6,762	10,364	17,126
Gross New Subscribers	302	519	821	375	335	710
Churn	(232)	(517)	(749)	(255)	(481)	(736)
Average Monthly Churn	1.15%	1.66%	1.5%	1.24%	1.56%	1.43%
Closing Balance	6,762	10,364	17,126	6,882	10,218	17,100

Gaming Update

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- CloudGG users grow between 3% and 4% per month
- CloudGG users cycle between active Trial or paid memberships
- GeForce NOW RTX3080 SuperPOD infrastructure for 4K gameplay experiences now live with new 'Ultra' plan launched
- GeForce NOW now live on Optus SubHub
- Exclusive distribution right for GeForce NOW in Australia maintained
- Integration with Samsung Gaming Hub, LG TVs, Google Chromebook, and Microsoft's Xbox PC Game Pass expands the potential user base and library of supported games
- Capitalise on upcoming Microsoft's owned-content via Xbox Game Pass integration, like Call of Duty series (launched December 2023)



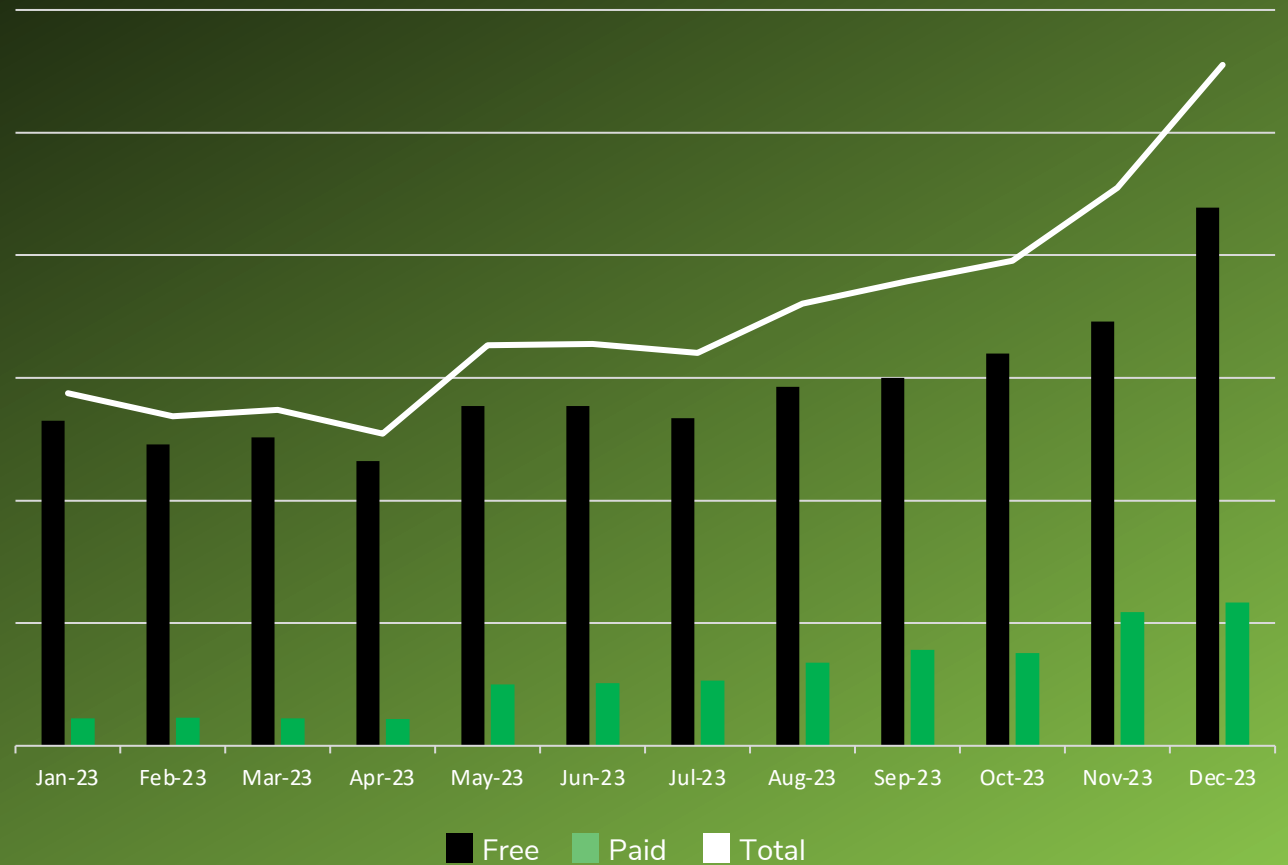
Gaming Revenue Growth

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KEY METRICS

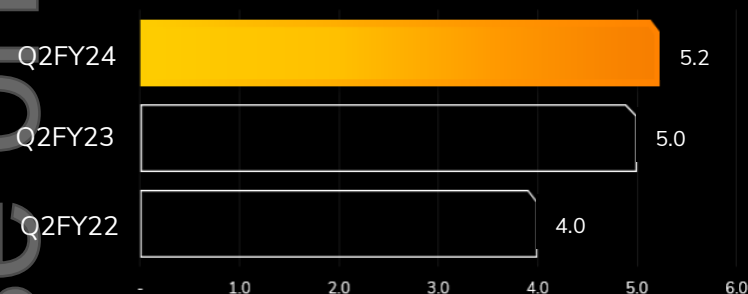
- EBITDA+ achieved in Q2FY24
- ARPU remained consistent at \$13
- Gaming subscription revenue up 51% to \$0.4m QoQ
- CloudGG paid subscriptions increased by 52% QoQ
- CloudGG total membership growth up 52% QoQ to 490,000+

GeForce NOW Monthly Active Users Jan-Dec 2023



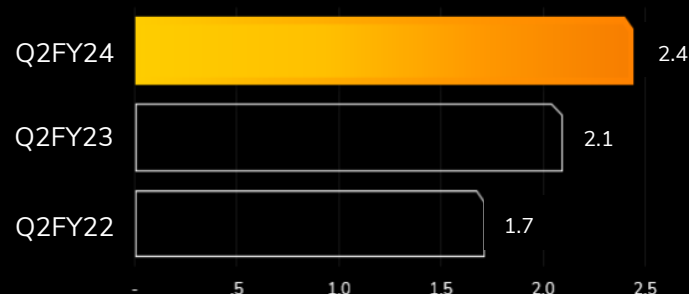
Q2 Financial Update

REVENUE \$'M (PcP)



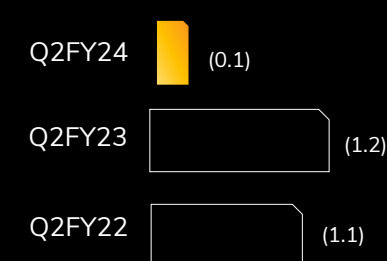
- Revenue up 5% to \$5.2m.
- Telco revenue up 1% to \$4.6m.
- Telco recurring revenue up 2%, impacted by increase in neXus and fibre service revenue.
- Gaming segment revenue up 86% to \$0.4m, impacted by 83% growth in paid memberships.
- Gaming segment revenue includes SubHub development funding.

GROSS PROFIT \$'M (PcP)



- Consolidated gross profit increased by 17% on PcP to \$2.4m.
- Gross margin of 47%, up 13% on PcP with off-net to on-net conversions and off-net price increases.
- Gaming segment gross profit increased by 178% on PcP to \$0.1m.
- Gaming segment paid membership base covering fixed monthly recurring cost.

EBITDA \$'M (PcP)

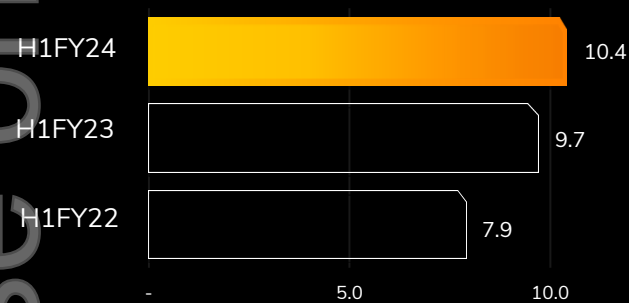


- 93% decrease in EBITDA loss.
- 18% decrease in overheads.
- 33% decrease in marketing expenses.
- 29% decrease in general company overheads.
- 14% reduction in employee-related costs.



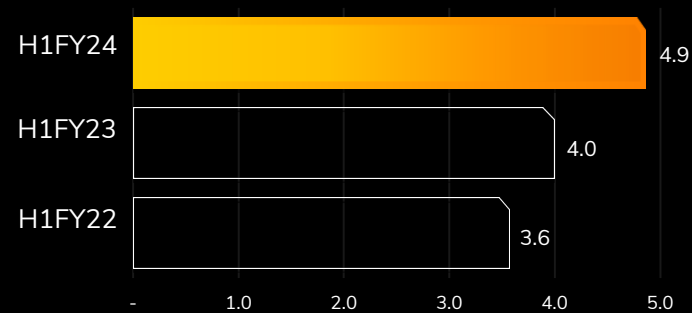
H1 Financial Update

REVENUE \$'M (PcP)



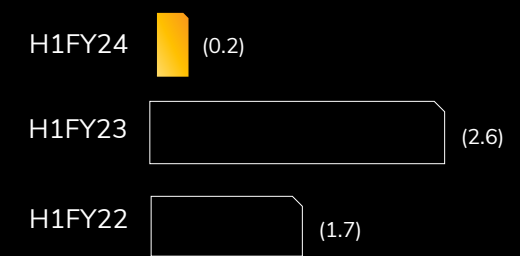
- H1 revenue increased by 7% to \$10.4m.
- Telco segment revenue grew by 3% to \$9.5m, Telco segment saw 5% increase in recurring revenue to \$9.1m, attributed to 45% increase in fibre and 3% increase in on-net revenue.
- Recurring revenue now constitutes 96% of total revenue.
- GFN subscription revenue increased by 75% to \$0.7m, aligning with paid memberships growth.

GROSS PROFIT \$'M (PcP)



- H1 gross profit up 22% on PcP to \$4.9 million, with a gross margin of 47%.
- Telco gross profit increased 8% to \$4.6m with a 48% gross margin, impacted by off-to-on-net conversion and reduced wholesale costs.
- Gaming gross profit increased 212% to \$0.3 million with a 30% gross margin, driven by an 83% growth in paid GFN memberships exceeding early-stage fixed costs.

EBITDA \$'M (PcP)



- Telecommunications and gaming segments achieved a third consecutive quarter of breakeven EBITDA.
- Overhead costs decreased 22% to \$5.4m
- Reduction in EBITDA led by a 43% decrease in marketing expenses and a 28% decrease in general company overheads.
- Result of key financial improvements driven by reduced overhead costs.



2HFY24 Key Strategic Summary

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TELECOMMUNICATIONS

- EBITDA+
- Accelerated marketing investment for new on-net/off-net product offerings.
- Install and commercialise neXus builds in planned greenfield deployment areas.
- Improved customer retention and churn management strategies.

CLOUD GAMING

- EBITDA+ (*& Continued paid user growth*)
- Leverage additional revenue streams/commercialisation opportunities.
- Ongoing marketing strategies around new key titles coming to the platform.



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