

INTERIM RESULTS ANNOUNCEMENT – H1 FY25

KEY FINANCIAL AND OPERATIONAL METRICS H1 FY25

- Positive EBITDA for H1FY25 of \$0.2m, a \$0.4m improvement on PcP
- Consolidated revenue increased by 6% on PcP to \$11.1m
- Telecommunication revenue is up by 4% on PcP to \$9.9m
- Gaming revenue is up by 31% on PcP to \$1.1m
- Consolidated gross profit increased by 6% on PcP to \$5.2m at a gross margin at 47%
- 5G subscribers up from 145 to 709
- Churn down to 1.3% from 1.5% in PcP, with on-net churn down to 1.2%
- CloudGG membership growth of 33% on PcP to over 670,000

*PcP is prior corresponding period

Pentanet Ltd (**ASX:5GG or Pentanet or Company**) is pleased to report its interim results for the half-year ended 31 December 2024. Consolidated revenue for H1 FY25 increased by 6% year on year (YoY) to \$11.1m. This growth reflects strong performance across both the Telecommunications and Gaming segments.

Telecommunications recurring revenue continued its steady upward trend, growing by 4% YoY to \$9.9m. This growth arose from the ongoing expansion of the subscriber base and increased network coverage. Non-recurring telecommunications revenue increased by 15% YoY.

Gaming revenue growth is up 31% YoY to \$1.1m. This was driven by membership growth and the successful implementation of pricing adjustments across key monthly plans, which increased ARPU from \$15 to \$16 YoY.

Gross profit improved in line with revenue growth by 6% to \$5.2m YoY. This reflects strong operational performance and effective cost-management initiatives driven by organic growth in both the telecommunications and gaming segments. Telecommunications gross profit grew steadily during the year, supported by recurring revenue growth and successful NBN margin optimisation efforts. GeForce NOW gross profit recorded significant improvements, benefiting from higher ARPU and cost optimisation strategies that increased profitability. This resulted in a 14pp increase in gross margin YoY to 44%.

Pentanet delivered a \$0.4m YoY EBITDA⁽¹⁾ improvement, moving from a H1 FY24 loss of \$0.2m to \$0.2m positive EBITDA in H1 FY25. This improvement was mainly due to ongoing cost-reduction initiatives and disciplined financial management, with platform subscription optimisations, lower quarterly employee overheads, and lower supplier costs significantly reducing overall expenses. These measures have streamlined operations while maintaining service quality across the Telecommunications and GeForce NOW segments. Additionally, marketing expenses were closely

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managed, with a refined focus on high-impact campaigns and reduced reliance on broader promotional efforts.

These combined efforts highlight Pentanet's commitment to sustainable expense management as it continues to invest in strategic initiatives to improve profitability.

The company closed the half-year with a cash balance of \$2.2m, available financing facilities of \$6.8m and significant 5G equipment stock for telecommunications network growth in FY25.

⁽¹⁾ EBITDA is a financial measure which is not prescribed by Australian Accounting Standard Board ('AASB') and represents the profit/loss under AASB's adjusted for depreciation, amortization, interest and tax.

RESULTS OVERVIEW:

	H1 FY25 \$'m	H1 FY24 \$'m	% Change
Revenue	11.1	10.4	6%
Gross Profit	5.2	4.9	6%
Gross margin	47%	47%	
Other Income	0.2	0.4	(50%)
Operating Expenses	(5.2)	(5.4)	4%
EBITDA	0.2	(0.2)	N/A
Depreciation and amortisation	(3.0) ⁽²⁾	(2.1)	(43%)
EBIT	(2.8)	(2.3)	(22%)
Net finance cost	(0.3)	(0.4)	25%
Net loss before tax	(3.1)	(2.7)	(15%)

⁽²⁾ The loss for the half-year attributable to the owners of Pentanet Ltd includes \$648,000 impairment. Refer to Note. 4 of the Consolidated notes to the financial statements.

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OPERATIONAL UPDATE

Telecommunications

Subscribers	On-net		Off-net		Total		Change	
	H1FY24	H1FY25	H1FY24	H1FY25	H1FY24	H1FY25	On-net	Off-net
Opening Balance	6,692	6,794	10,362	10,589	17,054	17,383	2%	2%
Sales	677	614	854	1,229	1,531	1,843	-9%	44%
Churn	(487)	(483)	(998)	(887)	(1,485)	(1,370)	1%	11%)
Closing Balance	6,882	6,925	10,218	10,931	17,100	17,856	1%	7%
Average Monthly Churn	1.2%	1.2%	1.6%	1.4%	1.5%	1.3%	(3%)	(16%)
Subscriber Split	40%	39%	60%	61%				

H1 FY25, Pentanet focused on accelerating its 5G network expansion as a key element of its telecommunications strategy. To date, 14 towers have been successfully upgraded to 5G, with an additional five upgrades scheduled for completion in the second half of FY25 to double 5G coverage this financial year, laying the groundwork for the launch of an ultrafast, competitive on-net offering at scale.

5G subscriber growth continued steadily, reaching 709 customers, up 564 subscribers on PcP. This growth has been supported by targeted, more efficient marketing, as broader marketing campaigns are deferred until coverage expands sufficiently. Gross new subscribers increased 20% to 1,843, primarily driven by off-net sign-ups, which increased 44% to 1,229, while on-net additions declined 9% to 614. Net new subscribers grew significantly to 473, reflecting improved customer retention and higher new activations.

To support the 5G rollout with minimal cash impact, Pentanet secured 25 5G base stations and 423 Customer Premises Equipment units (CPEs) via a stock swap arrangement with its main equipment supplier. This has significantly reduced capital expenditure (CAPEX) requirements, improving the overall cash cost of the network upgrade program and allowing resources to remain focused on expanding coverage and capacity.

Churn improved, decreasing to 1.3%, down from 1.5% on PcP, with off-net churn decreasing from 1.6% to 1.4%. On-net churn remained stable at 1.2%. Customer retention strategies and operational efficiencies continue to support sustained subscriber growth.

Blended average revenue per user (ARPU) increased to \$93, up from \$92 on PcP, driven by subscriber growth shifting toward higher-speed plans.

Pentanet's telco strategy remains centred on casting a wider 5G coverage net to facilitate higher subscriber growth and broader marketing opportunities in the future. By focusing on ultrafast 5G

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capabilities, the company is positioning itself to deliver a competitive on-net offering, to drive on-net subscriber and revenue growth.

GeForce NOW Cloud Gaming

Pentanet continued to drive growth and optimise operations for GeForce NOW, advancing its strategy to monetise and expand the platform. Increased NVIDIA Cloud graphics processing unit (GPU) optimisation improved service delivery, enabling the company to reduce costs while improving user experience.

The introduction of mid-quarter pricing adjustments contributed to a significant 31% increase on PcP revenue, achieving another monthly all-time high of \$241k in December 2024. These pricing adjustments, alongside initiatives such as the retirement of the Basic membership and introduction of loyalty offerings, helped align the platform's operations with rising demand and operational costs.

Subscriber growth metrics were strong, with premium memberships increasing 82% on PcP and overall paid memberships increasing 3% on PcP, driven by targeted promotions and a focus on higher-value tiers. The "CloudGG Pioneer" campaign, launched in conjunction with the pricing updates, incentivised member retention, supporting long-term growth.

High-profile game releases, including Path of Exile 2, Call of Duty: Modern Warfare III, Black Myth: Wukong, and Space Marine 2, contributed to increased engagement on GeForce NOW during H1 FY25. These graphically intensive titles reinforced the value of the Ultimate plan, attracting users seeking high-performance gaming experiences and showcasing the plan's capabilities. Ultimate plan subscribers consistently demonstrated higher engagement levels. This trend supports the strategic focus on shifting users toward premium, higher-margin plans.

GeForce NOW Powered by CloudGG continues to expand its game library, contributing to a 33% increase on PcP growth in CloudGG membership, which now exceeds 670,000 members.

The overall impact on revenue and subscriber engagement remained positive. Pentanet remains focused on scaling up GeForce NOW while enhancing profitability and subscriber value.

A results presentation and Q&A stream session will be held by Managing Director Stephen Cornish and CFO Mart-Marie Derman on Wednesday, 26 February 2025, at 09:00 am AWST (Perth) time / 12:00 pm AEST (Sydney) time. An accompanying presentation will be made available via the ASX announcement platform prior to the stream. Participants may register in advance for this webinar at: https://us06web.zoom.us/webinar/register/WN_aBeYtAM_QUGKHDAUCFRH5w

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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Ms. Mart-Marie Derman
Chief Financial Officer

About Pentanet

Pentanet is a Perth-based, growth-focused telco delivering high-speed internet to a growing number of subscribers by providing next-generation internet speeds. This is achieved through Pentanet's market-leading private wireless network, the largest in Perth, as well as reselling fixed-line services such as nbn® and Opticomm.

The Company's flagship 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 typically only resell the nbn.

Pentanet is also part of the rollout of the next wave of subscription-based entertainment services – cloud gaming. The Company's Alliance Partner Agreement with NVIDIA allowed Pentanet to be the first to bring their GeForce NOW technology to Australia in 2021. Since launch, the platform has amassed over 670,000 users.

Pentanet invites existing and prospective shareholders to join the conversation within the Company's interactive Investor Hub at <https://investorhub.pentanet.com.au/link/5PmXpr>

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