

ASX ANNOUNCEMENT

29 October 2024

## ACTIVITIES REPORT AND APPENDIX 4C

### 1QFY25 Highlights:

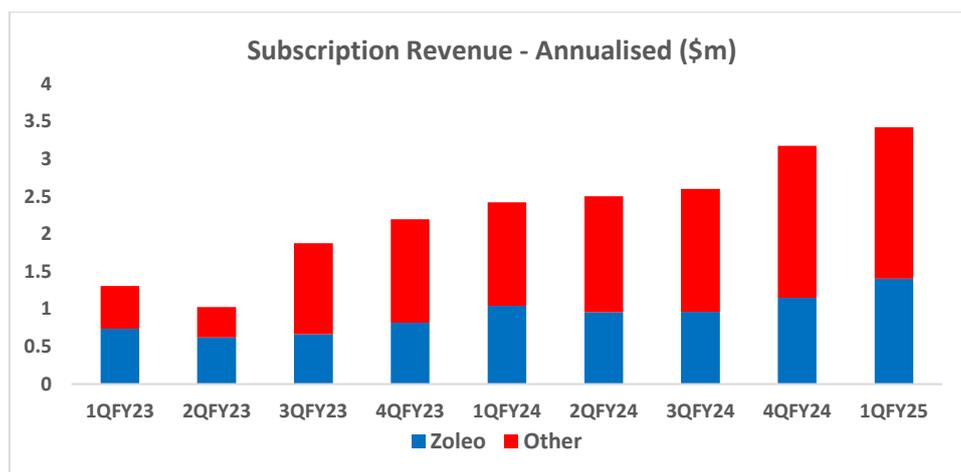
- Strong cash receipts of \$9.8m, up 5% on the PCP and 6% QoQ.
- Free Cash Flow (FCF) of -\$0.4m; Rolling 12 month FCF of \$2.0m after excluding one-off arbitration payments.
- Total revenue of \$6.8m was in-line with the PCP with the core product portfolio performing well.
- Annualised subscription revenue now \$3.4m, up 41% on the PCP, this includes Beam's ZOLEO royalty revenue up 35% on the PCP.

Beam Communications Holdings Ltd (ASX: BCC, "Beam" or the "Company"), a leading developer and distributor of mobile satellite solutions and services, is pleased to provide its quarterly update for the three months ended 30 September 2024 (1QFY25), to accompany the Appendix 4C.

### Cash Flow, Revenue and Cash Position

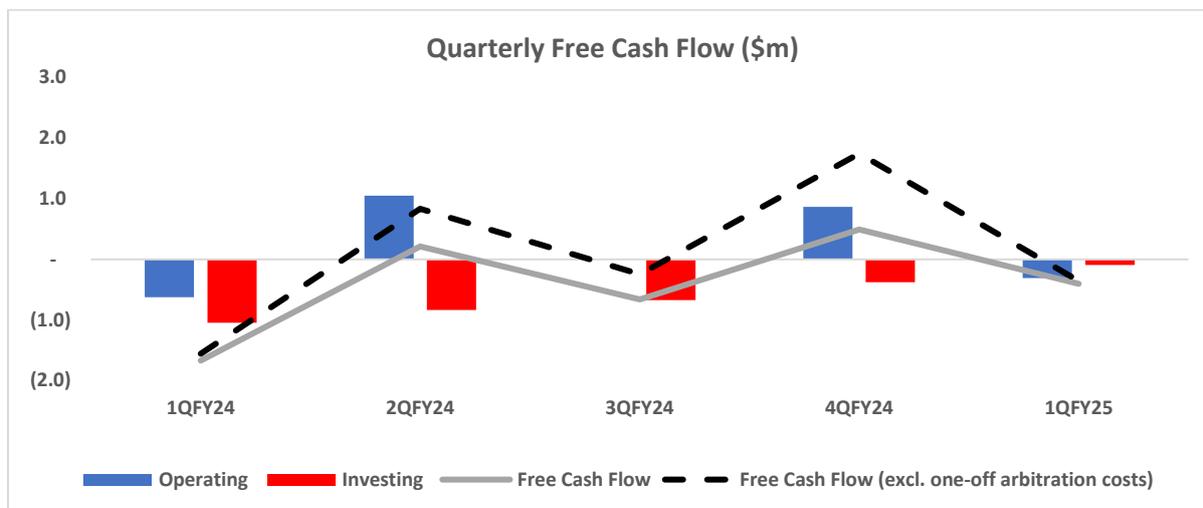
Strong cash receipts of \$9.8 million grew 5.0% on the PCP (1QFY23) and 6.1% QoQ (1QFY25 v 4QFY24). Total revenue this quarter was \$6.8 million (1.2% below the PCP). Hardware sales for the core business, excluding Zoleo units, increased by 13% on the PCP and 42% QoQ, demonstrating robust performance across the product range, including terminals, docks, and accessories, and indicating a solid baseline revenue.

Beam's subscription revenue now exceeds \$3.4 million on an annualised basis (up 41% on the PCP). This includes Beam's ZOLEO royalty revenue which is up 35% on the PCP.



Included in the free cash and operating cash flow result is ~\$0.2 million for an annual insurance premium, as well as \$50K for redundancies and \$50K for arbitration payments. Free cash flow was -\$0.4m this quarter and for the rolling 12 months ended 30 September 2024, positive \$2.0m after excluding one-off arbitration payments.

Following is a graph showing the last 5 quarters of Free Cash Flow and an improving cash flow trend follows.



At 30 September 2024 the Company had \$2.7 million cash at bank. Beam has been maintaining a cash balance of around \$3 million since September 2022.

#### **Voluntary ASX Trading Suspension following Arbitration decision**

Consistent with the Company's announcement on 24 October 2024, Beam's present intention is to emerge from suspension on or before 30 October 2024, ahead of which it will provide a more fulsome assessment of the effect of the Zoleo arbitration decision on Beam's short-term priorities, as well as detailing a significant cost base reduction.

#### **Commenting on the quarter, Managing Director, Michael Capocchi said:**

*"The core business continues to perform reasonably well, generating healthy cash receipts from a stable revenue base. We are focussed on realising our investment in the Zoleo business, and providing the market with more information as we work through the valuation process and other matters under active assessment by the Company as a consequence of the arbitration result".*

This announcement has been approved by the Board of Directors.

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#### **For media and investor enquiries please contact:**

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#### **About Beam Communications Holdings Limited**

Beam Communications Holdings Limited is an Australian publicly-listed company (ASX:BCC) that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment applications and services. Beam has developed several world-first innovations and its products and services are adopted by some of the world's largest satellite and

telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat and Thuraya. Beam also developed the multi-award winning ZOLEO device, which generates recurring subscription revenues for the Group. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd [www.satphoneshop.com](http://www.satphoneshop.com). For more information, visit [www.beamcommunications.com](http://www.beamcommunications.com).

**About ZOLEO Inc.**

Formed in 2018 and headquartered in Toronto, Canada, ZOLEO Inc. is a joint venture between Beam Communication Pty. Ltd. and Roadpost Inc. that is pioneering the development of innovative lower cost, consumer-oriented global messaging solutions, including innovative wireless devices and apps based on Iridium short burst data (SBD), cellular and Wi-Fi standards. The company serves three primary markets including consumers residing on the fringe of cellular coverage, outdoor recreation and lone worker safety. Its products are offered through authorised retailers in the US, Canada and Australia. Roadpost is responsible for retail distribution in North America and Beam is responsible for the Asia Pacific region. Staged distribution in other regions will be jointly managed. For more information visit [www.ZOLEO.com](http://www.ZOLEO.com).

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Beam Communications Holdings Limited

**ABN**

39 010 568 804

**Quarter ended ("current quarter")**

30 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	9,833	9,833
1.2 Payments for		
(a) research and development	(12)	(12)
(b) product manufacturing and operating costs	(7,414)	(7,414)
(c) advertising and marketing	(94)	(94)
(d) leased items	(2)	(2)
(e) staff costs – <i>salaries, wages, and super</i>	(1,707)	(1,707)
(f) administration and corporate costs	(587)	(587)
1.3 Dividends received (see note 3)		
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid/refunded	(15)	(15)
1.7 Government grants and tax incentives		
1.8 Other - <i>GST, FBT, payroll tax, insurance proceeds</i>	(312)	(312)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(309)</b>	<b>(309)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(12)	(12)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets – <i>Product development capitalised</i>	(81)	(81)
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(93)</b>	<b>(93)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other – <i>Lease liability payment</i>	(46)	(46)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(46)</b>	<b>(46)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	3,107	3,107
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(309)	(309)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(93)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(46)	(46)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,659</b>	<b>2,659</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,659	3,107
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,659</b>	<b>3,107</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	193
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Explanation: Payments referred to in 6.1 are for director salaries, director fees and superannuation.

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	300	0
7.2 Credit standby arrangements		
7.3 Other ( <i>secured term loan</i> )	191	0
7.4 <b>Total financing facilities</b>	491	0
7.5 <b>Unused financing facilities available at quarter end</b>		491
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	AUD overdraft \$300,000 with National Australia Bank secured by fixed & floating charge.	
	In revising previously issued loans, on 7 May 2021 the NAB granted a 5-year, low interest term loan of \$750,000 part secured by the Australian government to assist with funding of Beam's product development program. The available balance, which reduces each month, was \$190,829 as of the quarter end and could be drawn, if and when required.	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(309)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,659
8.3 Unused finance facilities available at quarter end (item 7.5)	491
8.4 Total available funding (item 8.2 + item 8.3)	3,150
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	10
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 October 2024.....

Authorised by: .....By the board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.