

ASX ANNOUNCEMENT

28 February 2023

**RECORD INTERIM NPAT, EBITDA AND REVENUE WITH  
FURTHER GROWTH EXPECTED****Highlights:**

- **Beam delivered record results for 1HFY23:**
  - Revenue +69% PCP to \$20.5m
  - EBITDA +105% PCP to \$2.2m
  - NPAT +201% PCP to \$1.2m
- **All of Beam's businesses contributed to 1HFY23 growth:**
  - Core Beam business +106% PCP to \$14.0m
  - SatPhone Shop +20% PCP to \$1.1m
  - ZOLEO Royalties +96% PCP to \$340k
- **Momentum continues with Beam on track to deliver material growth in revenue for FY23:**
  - EBITDA expected to be ~\$4m
  - NPAT expected to be >\$2m
- **ZOLEO expanded across Europe to all countries in the EEA.**
- **Sales of the next generation Iridium GO! exec device and other Beam equipment are anticipated to support future growth.**

**Beam Communications Holdings Ltd (ASX: BCC)** ("Beam" or the "Company") is pleased to announce that it has delivered record earnings and revenue for the six months to 31 December 2022 ("1HFY23", "First Half"), with all key divisions contributing to the growth in both income and earnings.

First Half revenue increased to \$20.5 million, up 69% from \$12.1m of the previous corresponding period (PCP), , representing the highest interim revenue figure in Beam's history. The group's earnings before interest, tax, depreciation and amortisation (EBITDA) increased to a record \$2.2m for 1HFY23, up 105% PCP from \$1.1m in 1HFY22, with interim net profit after tax (NPAT) increasing to an all-time high of \$1.2 million, up 201% from \$388k for the PCP.

The half year EBITDA figure is slightly ahead of Beam's guidance in January 2023 of around \$2 million.

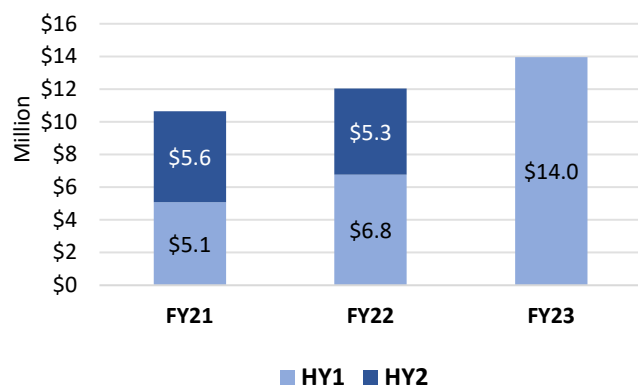
**Continued Growth Across All of Beam's Businesses**

All of Beam's businesses contributed to growth with the Core Beam business (excluding ZOLEO) being the primary driver for the record results. The revenue from this business climbed 106% to \$14 million in the First Half.

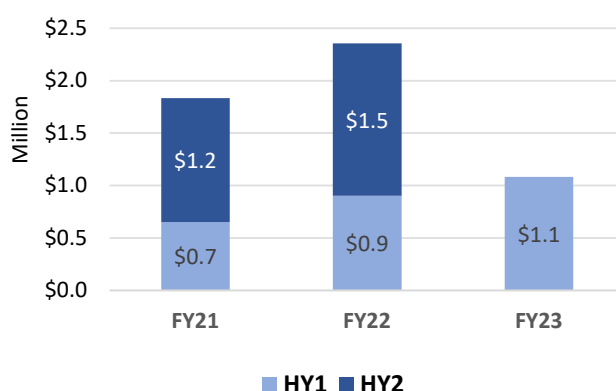
The Company achieved strong Iridium GO!® sales throughout the First Half, which increased 71% PCP, and the initial shipments of the Iridium GO! exec device was invoiced. The Iridium GO! exec device is underpinned by a minimum US\$12 million five-year contract, against which good early progress has been made. Increased world-wide demand for other Beam-branded products and services, was also a key contributor to growth within the Core Beam business.

Meanwhile, revenue from SatPhone Shop increased by 20% versus the PCP, to \$1.1m, driven by the growing interest and demand for satellite communication devices, along with associated recurring sales of airtime, from consumers, enterprise, and governments in Australia and New Zealand.

### Core Beam Revenue



### SatPhone Shop Revenue



### ZOLEO Business Expansion and Growth in Recurring Revenue

During the First Half, the group continued to grow recurring revenues, which represent a higher margin income stream and high customer retention, with the opportunity for further value-add. ZOLEO royalty revenue increased to \$341k, up 96% from \$174k in the PCP, as ZOLEO hardware revenue increased by 19% over the PCP to \$5.1 million.

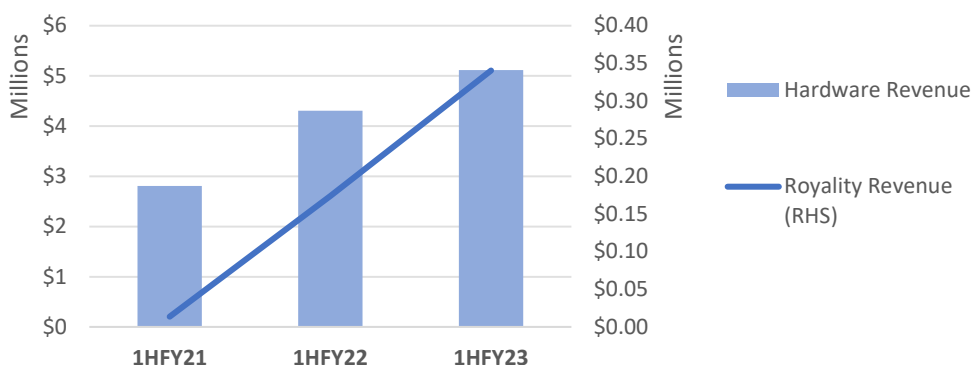
At the end of the First Half, ZOLEO subscribers in Beam's territories of Australia and New Zealand reached 4,400, as at 31 December 2022, and this growth represents a 106% growth in subscribers from 2,036 in the PCP.

Around 10% of these subscribers are enterprise/government users from a range of industries, including major mining companies, medical/emergency services organisations, agribusinesses and local councils.

Beam is expecting continued growth in overall ZOLEO subscribers in the coming quarters as we enter peak times for personal communication devices, plus supporting further growth in enterprise and government opportunities through the recent launch of the ZOLEO Application Programming Interface (API).

Growing recurring revenues will be a key focus for the Company going forward, with the percentage of recurring revenue, which includes ZOLEO royalties and airtime services, expected to constitute an increasing proportion of Group revenue.

### ZOLEO Royalty & Hardware Revenue



Beam will continue to investigate additional revenue-based subscription models and ongoing revenue share models, which are less capital intensive than traditional product development. This could include a premium weather and other services following the successful introduction of the Location Share+ add-on offering.

Beam is also currently negotiating an agreement to provide Value Added Services (**VAS**) for the Iridium GO! exec device after it was chosen as one of a select group of international partners for the Iridium Messaging Transport<sup>SM</sup> (IMT) Commercial Service in December 2022. An example of a VAS is a messaging/chat application that would run on the newly launched device. The Company expects the VAS offering will generate additional recurring revenue streams for the Group in the medium term.

Throughout the first half of the year, ZOLEO Inc., a joint venture of Beam, expanded further into Europe to all countries within the European Economic Area (**EEA**), including Switzerland. This came after launching in the United Kingdom, Sweden, Finland, Denmark, and Norway in May 2022. Consequently, the addressable European markets for ZOLEO have grown significantly.

### Continued Momentum Driving Growth

Beam continues to see momentum with earnings rebounding strongly in FY23 and expects H1 EBITDA to be at least duplicated in H2. The Company is on track to deliver record results and earnings in FY23, with EBITDA expected to be ~\$4m and NPAT in excess of \$2m.

Sales of the next-generation Iridium GO! exec device will be a significant contributor to this growth, with sales of the satellite hotspot expected to exceed the minimum contracted US\$12 million well before the end of the initial five-year contract. Additionally, growing awareness of the importance of mobile satellite communications is expected to support sales of the original Iridium GO! solution and other Beam equipment.

Further, the Company anticipates that royalty revenues will continue to grow as ZOLEO gains further traction with the newly launched ZOLEO API to bolster enterprise subscriptions and partner integration. Beam expects Group profit margins to increase as royalty revenue increases.

The Company, as ever, retains an open mind on M&A and will continue to assess opportunities as and when they arise.

This announcement has been approved by the Board of Directors.

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

Chloe Hayes

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m: 0458 619 317

**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).

**Beam Communications Holdings Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

|                   |  |
|-------------------|--|
| Name of entity:   | Beam Communications Holdings Limited     |
| ABN:              | 39 010 568 804                           |
| Reporting period: | For the half-year ended 31 December 2022 |
| Previous period:  | For the half-year ended 31 December 2021 |

**2. Results for announcement to the market**

|  |    |           | \$'000 |
|--|----|-----------|--------|
| Revenues from ordinary activities  | up | 68.6% to  | 20,506 |
| Profit from ordinary activities after tax attributable to the owners of Beam Communications Holdings Limited | up | 201.0% to | 1,168  |
| Profit for the half-year attributable to the owners of Beam Communications Holdings Limited                  | up | 201.0% to | 1,168  |

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The profit for the Group after providing for income tax amounted to \$1,168,481 (31 December 2021: \$388,108).

**3. Net tangible assets**

|   | Reporting<br>period<br>Cents | Previous<br>period<br>Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | 10.16                        | 10.15                       |

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

**7. Dividend reinvestment plans**

Not applicable.

**8. Details of associates and joint venture entities**

The Group has a 50% share in a joint venture company, Zoleo Inc , which was incorporated in Canada in August, 2018.

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**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Beam Communications Holdings Limited for the half-year ended 31 December 2022 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 28 February 2023

Mr Simon Wallace  
Chairman

# **Beam Communications Holdings Limited**

**ABN 39 010 568 804**

**Interim Report - 31 December 2022**

**Beam Communications Holdings Limited****Corporate directory****31 December 2022**

|  |  |
|--|--|
| Directors  | Mr Simon Lister Wallace<br>Mr Michael Ian Capocchi<br>Mr Mark Allan Chartres   |
| Company secretary                                  | Mr Dennis Frank Payne  |
| Registered office &<br>Principal place of business | Unit 5 / 8 Anzed Court Mulgrave, VIC 3170<br>Ph: (03) 8561 4200  |
| Share register                                     | Link Market Services Ltd<br>Locked Bag A14,<br>Sydney South, NSW, 1235<br>Ph: 1300 554 474   |
| Auditor  | RSM Australia Partners<br>Level 21, 55 Collins Street,<br>Melbourne, VIC 3000<br>Ph: (03) 9286 8000  |
| Stock exchange listing                             | Beam Communications Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: BCC)   |
| Corporate Governance Statement                     | The Corporate Governance statement can be found on the investors page at <a href="https://www.beamcommunications.com/investors/corporate-governance">https://www.beamcommunications.com/investors/corporate-governance</a> |
| Email  | <a href="mailto:investor@beamcommunications.com">investor@beamcommunications.com</a>   |
| ASX Office   | Based in Melbourne   |



**Beam Communications Holdings Limited**  
**Directors' report**  
**31 December 2022**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Beam Communications Holdings Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

**Directors**

The following persons were directors of Beam Communications Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Simon Lister Wallace (Non-executive chairman)  
Mr Michael Ian Capocchi (Managing director)  
Mr David Paul James Stewart (Non-executive director, resigned 30 September 2022)  
Mr Mark Allan Chartres (Non-executive director)

**Company Secretary**

Mr Dennis Frank Payne

The qualifications, experience and special responsibilities of each of the directors who held office during the year are:

**Simon Lister Wallace – Chairman**

Age: 49

Simon Wallace is a corporate lawyer and, based in Melbourne, having previously been an equity partner of the largest law firm in the world, he is now the founder & Managing Partner of his own boutique legal practice.

With extensive legal and commercial proficiency, and particular expertise in the areas of project finance, fundraising and corporate governance, Simon has substantial professional experience in the areas of investment banking, structured and direct equity investments, product formulation and sales.

Simon is admitted to practice as a barrister and solicitor of the Supreme Court of Victoria, the Federal Court of Australia and the High Court of Australia, and he holds degrees from the Australian National University in both Law and Commerce.

Since its inception in August 2018, Simon has been a Director of Zoleo Inc. the joint venture entity of which the Group is a 50% partner with Roadpost Inc of Canada.

Simon Wallace has been a Director of Beam Communications Holdings Limited since 5 February 2015 and was elected Chairman on 22 December 2016.

**Michael Ian Capocchi – Managing Director**

Age: 51

Michael Capocchi has over 25 years' experience in the ICT industry and has held several senior management positions. Michael is based in Chicago, USA, which places him closer to the important centres for satellite communications in the USA and UK/Europe.

Michael joined Beam Communications Holdings Limited as the General Manager of the subsidiary, Beam Communications Pty Ltd, in 2003 and was appointed as Managing Director of Beam Communications Holdings Limited in March 2008.

Prior to joining the Group, Michael was the Regional Sales Director for Iridium Satellite LLC, directly managing the sales, distribution and channel management strategies for the Asia-Pacific region. Michael has held senior management positions as the Sales and Marketing Director of Pacific Internet responsible for establishing the Australian operations of the company and with Optus Communications.

Since its inception in August 2018, Michael has been a Director of Zoleo Inc. the joint venture entity of which the Group is a 50% partner with Roadpost Inc of Canada.

Michael Capocchi is an integral part of the Group's business, including managing the day to day operations of the group which occasions extensive domestic and international travel when possible.

**Beam Communications Holdings Limited**  
**Directors' report**  
**31 December 2022**

**Mark Allan Chartres**

Age: 44

Mark Chartres was appointed to the Board of Directors as an Independent Non-Executive Director, commencing on 1 February 2022. Mark has spent nearly two decades professionally engaged in financial markets, including with Macquarie Group and presently Shaw and Partners. Mark's knowledge of our business, financial acumen and investment experience will materially augment the Board's skills matrix.

**Directorships of Other Listed Companies**

David Stewart was a non-executive director of NetComm Wireless Limited until June 30, 2019 and has been a non-executive director of MyNetFone Group Limited (ASX:MNF) since August 14, 2019.

No other Director of Beam Communications Holdings Limited has been a director of a listed company in the three years immediately before the end of the financial year.

**Principal activities**

The activities of the Group and its controlled entities during year were the development and marketing of a range of communication products and services, mainly satellite based.

**Review of operations**

The profit for the Group after providing for income tax amounted to \$1,168,481 (31 December 2021: \$388,108).

A summary of the result for the half-year period is as follows:

|   | <b>1 July 2022<br/>to 31 Dec<br/>2022<br/>(\$000)</b> | <b>1 July 2021<br/>to 31 Dec<br/>2021<br/>(\$000)</b> |
|---|---|---|
| Revenue   | 20,506  | 12,161  |
| Other income (excluding interest income)  | 183   | 306   |
|   | -   | -   |
| <i>Deduct:</i>  | -   | -   |
| Cost of goods sold, administrative, marketing, corporate and other operating expenses | (18,536)  | (11,416)  |
| <b>Operating profit before amortisation, depreciation, interest and tax</b>           | <b>2,153</b>  | <b>1,051</b>  |
| <i>Deduct:</i>  |   |   |
| Amortisation and impairment   | (686)   | (488)   |
| Depreciation  | (99)  | (98)  |
| Interest  | (44)  | (90)  |
| <b>Operating profit</b>   | <b>1,324</b>  | <b>375</b>  |
| Net tax (expense)/benefit   | (156)   | 13  |
| <b>Net profit for period</b>  | <b>1,168</b>  | <b>388</b>  |
| <b>Total comprehensive income for period</b>  | <b>1,168</b>  | <b>388</b>  |

## **Performance and Profit**

The principal activity of the Group during the half-year ended 31 December 2022 continued to be the design, manufacture and global distribution of innovative satellite solutions, such as communication devices and terminals, docking units and handheld phone accessories.

First half revenue and profit after tax climbed to a record high. Profit after tax for the six months ended 31 December 2022 (1HFY23) increased by 201% over the previous corresponding period (**PCP**) to \$1.2 million on the back of a 68.6% uplift in interim revenue to \$20.5 million.

There was also a marked increase in Beam's operating margin as Group earnings before interest, tax, depreciation and amortisation (**EBITDA**) more than doubled to \$2.2 million in 1HFY23 compared to \$1.1 million in the PCP.

All of Beam's key businesses contributed to the stronger results, which underscored the resilience and diversification of the Company's global offerings that are leveraged to the fast-growing mobile satellite services sector.

The core Beam Equipment business (excluding ZOLEO), is the primary driver for the record results as its revenue climbed 106.1% to \$14 million in the first half. The initial shipments of the Iridium GO! exec device, which is underpinned by a minimum US\$12 million five-year contract, ongoing sales of the original Iridium GO! device, and increased world-wide demand for other Beam-branded products and services were the primary growth drivers.

Meanwhile, the ZOLEO business continued to grow in the period. Royalty revenue increased to \$341K compared to \$174K in 1HFY22 as hardware revenue increased by 18.8% over the PCP to \$5.1 million.

During the first half, Beam's joint venture, ZOLEO Inc. expanded across Europe to all countries in the European Economic Area (EEA) including Switzerland following its successful launch in the United Kingdom, Sweden, Finland, Denmark and Norway in May 2022. This increased the addressable European market for ZOLEO from a population base of over 94 million to circa 462 million people.

Beam's wholly owned subsidiary, SatPhone Shop (**SPS**), reported a 20% PCP increase in revenue to \$1.1 million in 1HFY23. Growing interest and demand for satellite communication devices (and associated recurring sales of airtime) from consumers, enterprise and governments in Australia and New Zealand lifted sales revenue from SPS.

## **Cash and Funding**

As of 31 December 2022, Beam's cash holding was just over \$3 million and the Group had access to a further \$1.3 million in available but unused financing facilities. All bank facilities are secured by first ranking Registered Mortgage Debenture over the Consolidated Group's assets including uncalled capital and called but unpaid capital. At 31 December 2022, the company had the following bank facilities:

- an Australian dollar overdraft with a limit of \$300,000. The overdraft was not utilised at 31 December 2022.
- a US dollar overdraft with a limit of US\$320,000. The US dollar overdraft was not utilised at 31 December 2022.
- The Group had a bank guarantee facility of \$50,000 at 31 December 2022. It was fully utilised at 31 December 2022 and 30 June 2022.

On 1 July 2020, the National Australia Bank granted Beam a three-year, low interest term loan of \$500,000 and a further \$500,000 on 10 May 2021, partly secured by the Australian government under their COVID-19 relief program to assist with funding of Beam's product development program. The principal outstanding of \$973,000 was repaid on 19 May 2021 and, after allowing for amortisation, \$527,768 was available to be redrawn at 31 December 2022.

The Group has a secured loan facility with Roadpost Inc. of up to US\$600,000. Roadpost is a Canadian company and a joint venture partner with Beam Communications Pty Ltd to develop, market and distribute the Zoleo product, a satellite based messaging device, including associated airtime contracts. The interest-free Assistance Loan is to assist Beam to establish the business and is repayable at Beam's sole discretion.

The Company repaid US\$255,284 in October 2021 and US\$112,858 in August 2022. As of 31 December 2022, US\$231,858 has been drawn down. The loan is secured by Beam's pledge of shares in Zoleo Inc, an entity established with Roadpost to manage the Zoleo business.

**Beam Communications Holdings Limited**  
**Directors' report**  
**31 December 2022**

Beam received \$884,437 in November 2022 from the Australian Government's R&D fund, which encourages Australian investment in research and development. That amount related to Beam's R&D expenditure in FY2021.

The R&D grants are only brought to profit after receipt and on a monthly straight-line basis matching the amortisation of the related development project over the relevant product's useful life once sales commence.

### **Outlook and Projects**

Beam believes the outlook for the group remains positive despite the broader economic uncertainties as the growth momentum experienced in the December half continues into the new year.

It is anticipated that sales of the next-generation Iridium GO! exec device will be a significant contributor to this growth and that sales of the satellite hotspot will exceed US\$12 million before the end of the initial five-year contract.

Growing awareness on the importance of mobile satellite communications is also anticipated to support sales of the original Iridium GO! solution and other Beam equipment.

Meanwhile, SPS and ZOLEO are well placed to benefit from this thematic. SPS sales tend to be skewed to the second half, and Australian and New Zealand ZOLEO subscriptions have started to recover since after a slowdown in the later part of H1. Beam believes there is significant growth for ZOLEO over the medium and longer-term.

Importantly, the percentage of recurring revenue, which includes ZOLEO royalties and airtime services, will constitute an increasing proportion of Group revenue. In the near-term, this will be bolstered by further growth in ZOLEO royalties and the two-year minimum airtime contract from Mobile Tracking and Data Pty Ltd (a Telstra subsidiary) that Beam signed last November, which is worth in excess of \$1.2 million per annum.

Beam is also currently developing Value Added Services (VAS) for the Iridium GO! exec device after it was selected as one of a small select group of international partners for the Iridium Messaging Transport<sup>SM</sup> (IMT) Commercial Service in December 2022. The VAS offering will generate additional recurring revenue stream for the Group in the medium term.

### **Directors and Investors**

Simon Wallace continues as Chairman of the Board and is also a shareholder in the Company. Simon brings detailed expertise in legal and commercial matters to Beam and was re-elected as a Director by shareholders at the Annual General Meeting on 30 November 2022.

Michael Capocchi is an Executive Director and holds the positions of Managing Director and Chief Executive Officer for all companies in the Group, including the USA subsidiary. He resides in Chicago, USA, which enables him to more easily visit US destinations, as well as the Middle East and UK/Europe where many of the Group's core clients are based. Under more normal non-COVID circumstances, Michael travels to Australia every four to six weeks and is in daily contact with management. Michael is also a significant shareholder in the Company.

Mark Chartres was appointed to the Board of Directors as an Independent Non-Executive Director, commencing on 1 February 2022. Mark has spent nearly two decades professionally engaged in financial markets, including with Macquarie Group and presently Shaw and Partners. Mark's knowledge of our business, financial acumen and investment experience will materially augment the Board's skills matrix.

David Steward retired from the Board on 30 September 2022. He joined the board in November 2017 and has acted as advisor to senior management in the rationalisation of development expenditure and provides hands-on assistance in the selection of trading partners. David is Beam's major shareholder, holding 12.62% of the shares in the Company, reflecting his positive view of the Group's growth prospects in the communications sector.

### **Significant changes in the state of affairs**

Other than those noted above there were no significant changes in the state of affairs of the Group during the financial year.

### **Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Beam Communications Holdings Limited**  
**Directors' report**  
**31 December 2022**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Simon Wallace', is positioned above a horizontal line.

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Mr Simon Wallace  
Chairman

28 February 2023

## **Beam Communications Holdings Limited**

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**31 December 2022**

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### **General information**

The financial statements cover Beam Communications Holdings Limited as a Group consisting of Beam Communications Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Beam Communications Holdings Limited's functional and presentation currency.

Beam Communications Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 5 / 8 Anzed Court  
Mulgrave, VIC, 3170  
Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2023.

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Beam Communications Holdings Limited and its controlled entities for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that appears to read "M Parameswaran".**M PARAMESWARAN**

Partner

Dated: 28 February 2023  
Melbourne, Victoria

**Beam Communications Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

|  |             | <b>Consolidated</b>     |                         |
|--|-------------|-------------------------|-------------------------|
|  | <b>Note</b> | <b>31 December 2022</b> | <b>31 December 2021</b> |
|  |             | <b>\$'000</b>           | <b>\$'000</b>           |
| <b>Revenue</b>   | 3           | 20,506                  | 12,161                  |
| Other income   | 4           | 193                     | 452                     |
| <b>Expenses</b>  |             |                         |                         |
| Cost of sales  |             | (15,134)                | (8,432)                 |
| Employment expense   |             | (2,157)                 | (1,778)                 |
| Depreciation and amortisation expense  |             | (785)                   | (586)                   |
| Finance costs  |             | (54)                    | (90)                    |
| Administrative expense   |             | (196)                   | (203)                   |
| Legal, insurance and patent  |             | (139)                   | (137)                   |
| Marketing and ICT  |             | (357)                   | (399)                   |
| Share of loss from interest in Joint Venture   |             | -                       | (93)                    |
| Other  |             | (553)                   | (520)                   |
| <b>Profit before income tax</b>  |             | 1,324                   | 375                     |
| Income tax (expense)/benefit   | 5           | (156)                   | 13                      |
| <b>Profit after income tax for the half-year attributable to the owners of Beam Communications Holdings Limited</b>    |             | 1,168                   | 388                     |
| Other comprehensive income for the half-year, net of tax   |             | -                       | -                       |
| <b>Total comprehensive income for the half-year attributable to the owners of Beam Communications Holdings Limited</b> |             | <b>1,168</b>            | <b>388</b>              |
|  |             | <b>Cents</b>            | <b>Cents</b>            |
| Basic earnings per share   | 12          | 1.35                    | 0.50                    |
| Diluted earnings per share   | 12          | 1.35                    | 0.50                    |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Beam Communications Holdings Limited**  
**Statement of financial position**  
**As at 31 December 2022**

|                                |             | <b>Consolidated</b>                    |                                    |
|--------------------------------|-------------|--|------------------------------------|
|                                | <b>Note</b> | <b>31 December<br/>2022<br/>\$'000</b> | <b>30 June<br/>2022<br/>\$'000</b> |
| <b>Assets</b>                  |             |  |                                    |
| <b>Current assets</b>          |             |  |                                    |
| Cash and cash equivalents      |             | 3,039                                  | 5,775                              |
| Trade and other receivables    | 6           | 7,628                                  | 6,035                              |
| Inventories                    |             | 7,171                                  | 4,336                              |
| Total current assets           |             | <u>17,838</u>                          | <u>16,146</u>                      |
| <b>Non-current assets</b>      |             |  |                                    |
| Plant and equipment            |             | 88                                     | 91                                 |
| Right-of-use assets            | 7           | 142                                    | 219                                |
| Development costs              | 8           | 8,739                                  | 7,569                              |
| Deferred tax                   |             | 161                                    | 318                                |
| Total non-current assets       |             | <u>9,130</u>                           | <u>8,197</u>                       |
| <b>Total assets</b>            |             | <u>26,968</u>                          | <u>24,343</u>                      |
| <b>Liabilities</b>             |             |  |                                    |
| <b>Current liabilities</b>     |             |  |                                    |
| Trade and other payables       | 9           | 7,697                                  | 6,049                              |
| Lease liabilities              |             | 202                                    | 221                                |
| Provisions                     |             | 1,226                                  | 1,200                              |
| Total current liabilities      |             | <u>9,125</u>                           | <u>7,470</u>                       |
| <b>Non-current liabilities</b> |             |  |                                    |
| Borrowings                     | 10          | 337                                    | 486                                |
| Lease liabilities              |             | 13                                     | 105                                |
| Provisions                     |             | 44                                     | 48                                 |
| Total non-current liabilities  |             | <u>394</u>                             | <u>639</u>                         |
| <b>Total liabilities</b>       |             | <u>9,519</u>                           | <u>8,109</u>                       |
| <b>Net assets</b>              |             | <u>17,449</u>                          | <u>16,234</u>                      |
| <b>Equity</b>                  |             |  |                                    |
| Issued capital                 | 11          | 17,375                                 | 17,375                             |
| Reserves                       |             | 125                                    | 163                                |
| Accumulated losses             |             | (51)                                   | (1,304)                            |
| <b>Total equity</b>            |             | <u>17,449</u>                          | <u>16,234</u>                      |

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Beam Communications Holdings Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2022**

| <b>Consolidated</b>  | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|--|----------------------------------|----------------------------|--------------------------------------|--------------------------------|
| Balance at 1 July 2021                                       | 12,703                           | 86                         | (1,127)                              | 11,662                         |
| Profit after income tax benefit for the half-year            | -                                | -                          | 388                                  | 388                            |
| Other comprehensive income for the half-year, net of tax     | -                                | -                          | -                                    | -                              |
| Total comprehensive income for the half-year                 | -                                | -                          | 388                                  | 388                            |
| <i>Transactions with owners in their capacity as owners:</i> |                                  |                            |                                      |                                |
| Shares issued, net of transaction costs                      | 4,701                            | -                          | -                                    | 4,701                          |
| Remuneration based option payments                           | -                                | 4                          | -                                    | 4                              |
| Adjustment for broker options issued                         | (32)                             | 32                         | -                                    | -                              |
| Adjustment for share options exercised                       | 3                                | -                          | -                                    | 3                              |
| Balance at 31 December 2021                                  | 17,375                           | 122                        | (739)                                | 16,758                         |
| <b>Consolidated</b>  | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
| Balance at 1 July 2022                                       | 17,375                           | 163                        | (1,304)                              | 16,234                         |
| Profit after income tax expense for the half-year            | -                                | -                          | 1,168                                | 1,168                          |
| Other comprehensive income for the half-year, net of tax     | -                                | -                          | -                                    | -                              |
| Total comprehensive income for the half-year                 | -                                | -                          | 1,168                                | 1,168                          |
| <i>Transactions with owners in their capacity as owners:</i> |                                  |                            |                                      |                                |
| Remuneration based option payments                           | -                                | 47                         | -                                    | 47                             |
| Adjustment for broker options expired                        | -                                | (85)                       | 85                                   | -                              |
| Balance at 31 December 2022                                  | 17,375                           | 125                        | (51)                                 | 17,449                         |

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Beam Communications Holdings Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2022**

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>31 December</b>  | <b>31 December</b>  |
| <b>Note</b>   | <b>2022</b>         | <b>2021</b>         |
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Cash flows from operating activities</b>                           |                     |                     |
| Receipts from customers (inclusive of GST)                            | 18,931              | 10,812              |
| Payments to suppliers and employees (inclusive of GST)                | (20,459)            | (9,750)             |
| Interest received   | 10                  | 1                   |
| Interest and finance charges paid                                     | (41)                | (50)                |
| Income tax credit   | -                   | 124                 |
| Payroll tax refund  | 90                  | -                   |
|   | <u>          </u>   | <u>          </u>   |
| Net cash (used in)/from operating activities                          | (1,469)             | 1,137               |
| <b>Cash flows from investing activities</b>                           |                     |                     |
| Payments for property, plant and equipment                            | (16)                | (29)                |
| Payments for capitalised development costs                            | (1,856)             | (1,405)             |
| Proceeds from research and development grant                          | 884                 | 713                 |
|   | <u>          </u>   | <u>          </u>   |
| Net cash used in investing activities                                 | (988)               | (721)               |
| <b>Cash flows from financing activities</b>                           |                     |                     |
| Proceeds from issue of shares, net of transaction costs               | 11 -                | 4,718               |
| Net loan payments   | (162)               | (346)               |
| Lease liability repayments  | (117)               | (99)                |
|   | <u>          </u>   | <u>          </u>   |
| Net cash (used in)/from financing activities                          | (279)               | 4,273               |
| Net (decrease)/increase in cash and cash equivalents                  | (2,736)             | 4,689               |
| Cash and cash equivalents at the beginning of the financial half-year | <u>5,775</u>        | <u>3,707</u>        |
| Cash and cash equivalents at the end of the financial half-year       | <u><u>3,039</u></u> | <u><u>8,396</u></u> |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The impact of these standards did not have a material impact on the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Accounting policies**

The accounting policies applied in preparing these consolidated financial statements for the half-year ended 31 December 2022 are the same as those applied by the consolidated entity in its consolidated annual financial report as at and for the year ended 30 June 2022.

**Note 2. Operating segments**

*Identification of reportable operating segments*

The Group has identified operating segments based upon internal reports that are reviewed and used by the Directors in assessing performance and determining the allocation of resources in respect of its satellite communications products services and online sales. As the online sales segment operated by SatPhone Shop Pty Ltd, a wholly owned subsidiary company, does not meet the quantitative threshold for separate disclosure, the company considers its aggregate segment as its sole segment. Accordingly, revenue and results are fully disclosed in the consolidated statement of profit or loss and other comprehensive income for this aggregated sole operating segment.

The consolidated statement of financial position discloses the sole operating segment assets and liabilities which are held within Australia.

*Geographical information*

The geographical disaggregation of sales has been presented in Note 3.

**Note 3. Revenue**

|                 | <b>Consolidated</b>     |                         |
|-----------------|-------------------------|-------------------------|
|                 | <b>31 December 2022</b> | <b>31 December 2021</b> |
|                 | <b>\$'000</b>           | <b>\$'000</b>           |
| Equipment sales | 19,888                  | 11,457                  |
| Airtime         | 221                     | 470                     |
| Other           | 397                     | 234                     |
| Revenue         | <u>20,506</u>           | <u>12,161</u>           |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 3. Revenue (continued)**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

|   | <b>Consolidated</b>     |                         |
|---|-------------------------|-------------------------|
|   | <b>31 December 2022</b> | <b>31 December 2021</b> |
|   | <b>\$'000</b>           | <b>\$'000</b>           |
| <i>Geographical regions</i>                       |                         |                         |
| Australia   | 2,557                   | 2,114                   |
| United States of America                          | 7,363                   | 2,647                   |
| United Arab Emirates                              | 509                     | 388                     |
| United Kingdom                                    | 725                     | 758                     |
| China   | 95                      | 23                      |
| Canada  | 4,859                   | 4,632                   |
| Japan   | 147                     | 220                     |
| Other foreign countries                           | 4,251                   | 1,379                   |
|   | <u>20,506</u>           | <u>12,161</u>           |
| <i>Timing of revenue recognition</i>              |                         |                         |
| Goods and services transferred at a point in time | 19,944                  | 11,517                  |
| Goods and services transferred over time          | 562                     | 644                     |
|   | <u>20,506</u>           | <u>12,161</u>           |

**Note 4. Other income**

|                                | <b>Consolidated</b>     |                         |
|--------------------------------|-------------------------|-------------------------|
|                                | <b>31 December 2022</b> | <b>31 December 2021</b> |
|                                | <b>\$'000</b>           | <b>\$'000</b>           |
| Research and development grant | 183                     | 307                     |
| Interest                       | 10                      | 1                       |
| Foreign exchange               | -                       | 144                     |
| Other income                   | <u>193</u>              | <u>452</u>              |

**Note 5. Income tax expense**

|                              | <b>Consolidated</b>     |                         |
|------------------------------|-------------------------|-------------------------|
|                              | <b>31 December 2022</b> | <b>31 December 2021</b> |
|                              | <b>\$'000</b>           | <b>\$'000</b>           |
| Current tax expense          | -                       | (19)                    |
| Deferred tax expense         | (156)                   | 32                      |
| Income tax (expense)/benefit | <u>(156)</u>            | <u>13</u>               |

The deferred tax expense reflects the movements in the deferred tax assets and liabilities.

The directors have maintained a consistent approach and have recognised 60% (2021: 60% of the deferred tax assets and liabilities inclusive of carried forward tax losses).

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 6. Trade and other receivables**

|  | <b>Consolidated</b> |                |
|--|---------------------|----------------|
|  | <b>31 December</b>  | <b>30 June</b> |
|  | <b>2022</b>         | <b>2022</b>    |
|  | <b>\$'000</b>       | <b>\$'000</b>  |
| <i>Current assets</i>                      |                     |                |
| Trade receivables                          | 4,736               | 1,376          |
| Less: Allowance for expected credit losses | -                   | -              |
|  | <u>4,736</u>        | <u>1,376</u>   |
| Other receivables and prepayments          | 2,778               | 4,545          |
| Rental & other security deposits           | 114                 | 114            |
|  | <u>2,892</u>        | <u>4,659</u>   |
|  | <u>7,628</u>        | <u>6,035</u>   |

| <b>Ageing reconciliation</b>     | <b>Within trade</b> | <b>Past due but</b> | <b>Past due but</b> | <b>Past due but</b> | <b>Past due</b>       | <b>Gross</b>    |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|-----------------|
|                                  | <b>terms</b>        | <b>not impaired</b> | <b>not impaired</b> | <b>not impaired</b> | <b>&amp; impaired</b> | <b>amount</b>   |
|                                  | <b>\$'000's</b>     | <b>(days</b>        | <b>(days</b>        | <b>(days</b>        | <b>\$'000's</b>       | <b>\$'000's</b> |
|                                  |                     | <b>overdue)</b>     | <b>overdue)</b>     | <b>overdue)</b>     |                       |                 |
|                                  |                     | <b>31-60</b>        | <b>61-90</b>        | <b>90+</b>          |                       |                 |
|                                  |                     | <b>\$'000's</b>     | <b>\$'000's</b>     | <b>\$'000's</b>     |                       |                 |
| <b>31 December 2022</b>          |                     |                     |                     |                     |                       |                 |
| <u>Current</u>                   |                     |                     |                     |                     |                       |                 |
| Trade receivables                | 4,548               | -                   | 188                 | -                   | -                     | 4,736           |
| Other receivables                | 2,778               | -                   | -                   | -                   | -                     | 2,778           |
| Rental & other security deposits | 114                 | -                   | -                   | -                   | -                     | 114             |
| Expected credit loss rate        | -                   | -                   | -                   | -                   | -                     | -               |
| <b>30 June 2022</b>              |                     |                     |                     |                     |                       |                 |
| <u>Current</u>                   |                     |                     |                     |                     |                       |                 |
| Trade receivables                | 1,032               | 344                 | -                   | -                   | -                     | 1,376           |
| Other receivables                | 4,545               | -                   | -                   | -                   | -                     | 4,545           |
| Rental & other security deposits | 114                 | -                   | -                   | -                   | -                     | 114             |
| Expected credit loss rate        | -                   | -                   | -                   | -                   | -                     | -               |

All trade receivables past due terms but not impaired are expected to be received in the normal course of business.

**Note 7. Right-of-use assets**

|                                    | <b>Consolidated</b> |                |
|------------------------------------|---------------------|----------------|
|                                    | <b>31 December</b>  | <b>30 June</b> |
|                                    | <b>2022</b>         | <b>2022</b>    |
|                                    | <b>\$'000</b>       | <b>\$'000</b>  |
| <i>Non-current assets</i>          |                     |                |
| Plant and equipment - right-of-use | 1,330               | 1,331          |
| Less: Accumulated depreciation     | <u>(1,188)</u>      | <u>(1,112)</u> |
| Balance at 31 December 2022        | <u>142</u>          | <u>219</u>     |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 7. Right-of-use assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

| <b>Consolidated</b>         | <b>Balance<br/>\$'000</b> |
|-----------------------------|---------------------------|
| Balance at 1 July 2022      | 219                       |
| Depreciation expense        | (77)                      |
| Balance at 31 December 2022 | <u>142</u>                |

The Group leases several assets, which includes building, forklift and printers with original lease terms of 9, 5 and 5 years respectively. There are no variable lease payment terms in any lease contracts.

There are no extension or termination options on the leases.

|   | <b>Half-year<br/>ended<br/>2022<br/>\$'000</b> | <b>Half-year<br/>ended<br/>2021<br/>\$'000</b> |
|---|--|--|
| <b>Amount recognised in profit or loss</b>  |  |  |
| Depreciation expense on right-of-use assets | 77   | 79   |
| Interest expense on lease liabilities       | 10   | 17   |
| Expense relating to short-term leases       | 13   | 12   |

**Note 8. Development costs**

|                                | <b>Consolidated<br/>31 December<br/>2022<br/>\$'000</b> | <b>30 June<br/>2022<br/>\$'000</b> |
|--------------------------------|---|------------------------------------|
| <i>Non-current assets</i>      |   |                                    |
| Development costs              | 11,242  | 9,386                              |
| Less: Accumulated amortisation | (2,503)   | (1,817)                            |
|                                | <u>8,739</u>  | <u>7,569</u>                       |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

**Movement in carrying amount of development costs**

| <b>Consolidated</b>         | <b>\$'000</b> |
|-----------------------------|---------------|
| Balance at 1 July 2022      | 7,569         |
| Additions                   | 1,856         |
| Amortisation expense        | (686)         |
| Balance at 31 December 2022 | <u>8,739</u>  |

The Group has assessed the minimum useful life of products from recent development projects at 4 years or 5 years giving a 20% or 25% amortisation rate on completed projects.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 9. Trade and other payables**

|                             | <b>Consolidated</b> |                |
|-----------------------------|---------------------|----------------|
|                             | <b>31 December</b>  | <b>30 June</b> |
|                             | <b>2022</b>         | <b>2022</b>    |
|                             | <b>\$'000</b>       | <b>\$'000</b>  |
| <i>Current liabilities</i>  |                     |                |
| Trade payables and accruals | 6,107               | 4,430          |
| Deferred R&D income         | 1,527               | 826            |
| Other deferred income       | 63                  | 793            |
|                             | <u>7,697</u>        | <u>6,049</u>   |

The Group initially recognises R&D grants as deferred income upon receipt and brings to account the income over the same period as the amortisation of the related completed project cost. \$183,385 of R&D grant income was recognised in the statement of profit & loss for the half year.

**Note 10. Borrowings**

|                                | <b>Consolidated</b> |                |
|--------------------------------|---------------------|----------------|
|                                | <b>31 December</b>  | <b>30 June</b> |
|                                | <b>2022</b>         | <b>2022</b>    |
|                                | <b>\$'000</b>       | <b>\$'000</b>  |
| <i>Non-current liabilities</i> |                     |                |
| Secured loan                   | <u>337</u>          | <u>486</u>     |

The Group has a secured loan facility with Roadpost Inc. of up to US\$600,000. Roadpost is a Canadian company and a joint venture partner with Beam Communications Pty Ltd to develop, market and distribute the Zoleo product, a satellite based messaging device, including associated airtime contracts. The interest-free Assistance Loan is to assist Beam to establish the business and is repayable at Beam's sole discretion.

As at 31 December 2022, US\$231,858 has been drawn down. The total loan balance of A\$336,614 represents the fair value of the loan at 31 December 2022. The loan is secured by Beam's pledge of shares in Zoleo Inc, an entity established with Roadpost to manage the Zoleo business.

**Banking facilities**

All bank facilities are secured by first ranking Registered Mortgage Debenture over the Group's assets including uncalled capital and called but unpaid capital. At 31 December 2022, the company had the following bank facilities:

- An Australian dollar overdraft with a limit of \$300,000. The overdraft was not utilised at 31 December 2022 or 30 June 2022.
- A US dollar overdraft with a limit of US\$320,000. The US dollar overdraft was not utilised at 31 December 2022 or 30 June 2022.
- The Group had a bank guarantee facility of \$50,000 at 31 December 2022. It was fully utilised at 31 December 2022 and 30 June 2022.

On 1 July 2020 the NAB granted Beam a 3 year, low interest term loan of \$500,000 and a further \$500,000 on 10 May 2021 part secured by the Australian government under their Covid19 relief program to assist with funding of Beam's product development program. The principal outstanding of \$973,000 was repaid on 19 May 2021 and, after allowing for amortisation, \$527,768 was available to be redrawn at 31 December 2022



**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Note 11. Issued capital**

|                              | <b>Consolidated</b>                    |                                    |  |                                    |
|------------------------------|--|------------------------------------|--|------------------------------------|
|                              | <b>31 December<br/>2022<br/>Shares</b> | <b>30 June<br/>2022<br/>Shares</b> | <b>31 December<br/>2022<br/>\$'000</b> | <b>30 June<br/>2022<br/>\$'000</b> |
| Ordinary shares - fully paid | <u>86,421,921</u>                      | <u>86,421,921</u>                  | <u>17,375</u>                          | <u>17,375</u>                      |

*(a) Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*(b) Share buy-back*

There is no current on-market share buy-back.

**Note 12. Earnings per share**

|  | <b>Consolidated</b>                    |  |
|--|--|--|
|  | <b>31 December<br/>2022<br/>\$'000</b> | <b>31 December<br/>2021<br/>\$'000</b> |
| Profit after income tax attributable to the owners of Beam Communications Holdings Limited   | 1,168                                  | 388                                    |
| Profit after income tax attributable to the owners of Beam Communications Holdings Limited used in calculating diluted earnings per share              | <u>1,168</u>                           | <u>388</u>                             |
|  | <b>Number</b>                          | <b>Number</b>                          |
| Weighted average number of ordinary shares used in calculating basic earnings per share  | <u>86,421,921</u>                      | <u>76,979,397</u>                      |
| Weighted average number of ordinary shares used in calculating diluted earnings per share  | <u>86,421,921</u>                      | <u>76,979,397</u>                      |
| Options have not been considered in the dilutive earnings per share calculation due to the average market price being less than the exercisable price. |  |  |
|  | <b>Cents</b>                           | <b>Cents</b>                           |
| Basic earnings per share   | 1.35                                   | 0.50                                   |
| Diluted earnings per share   | 1.35                                   | 0.50                                   |

**Note 13. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Beam Communications Holdings Limited**  
**Directors' declaration**  
**31 December 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Simon Wallace', is positioned above a horizontal line.

---

Mr Simon Wallace  
Chairman

28 February 2023

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of Beam Communications Holdings Limited

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Beam Communications Holdings Limited (company) and its controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Beam Communications Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Responsibility of the Directors' for the Financial Report*

The directors of the Beam Communications Holdings Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**RSM AUSTRALIA PARTNERS**



**M PARAMESWARAN**

Partner

Dated: 28 February 2023  
Melbourne, Victoria