

ASX ANNOUNCEMENT

30 January 2025

**ACTIVITIES REPORT AND APPENDIX 4C****Highlights:**

- **Positive adjusted Free Cash Flow (FCF) of \$753K (excluding one-off costs) – an increase of \$1.1M over the previous quarter**
- **Lower operating expenses and PCP growth in recurring revenues and SatPhone Shop contributed to the positive adjusted FCF**
- **One-off costs of \$3M relating to the ZOLEO arbitration led to a net operating cash outflow of \$2.2M with total available funds of \$1.3M in the quarter**
- **Despite uncertainties and challenges from the transformation program to right-size the business, Beam is anticipating a significant improvement in operating cash flow for Q3FY25**

**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 an overview of activities and commentary for the three months ended 31 December 2024 (Q2FY25), to accompany the Appendix 4C.

**Summary of Cash Position**

Beam recorded a net operating cash outflow of \$2.2 million in the quarter due to \$3 million worth of one-off costs relating to the Zoleo arbitration process, including the ~\$2.6 million payment to Roadpost Inc. as announced on 30 October 2024.

Excluding these one-off costs, Beam would have recorded a adjusted net operating cash inflow of \$757K (and a positive adjusted free cash flow of \$753K) due to significant cost cutting and growth in the Core Beam business when compared to the previous quarter.

Beam’s total available funds as of 31 December 2024 was \$1.3 million, which includes a little over \$1.2M in cash and a further \$81K in available and undrawn debt from an overdraft facility.

**Operating Activities and Cost Savings**

The Company’s recurring revenue jumped 36.4% over the previous corresponding period (PCP) to \$854K (or \$3.4 million annualised) with both ZOLEO royalties and Airtime sales notching double-digit gains, while hardware sales from SatPhone Shop increased 12.5% PCP to \$392K.

Revenue from Beam’s core business (sales of Beam-branded equipment and OEM devices excluding Zoleo) dipped 4.1% PCP to \$6.6 million, but this is up 59.3% over Q1FY25 and the dip is due to the timing of some orders, which were received in the current quarter.

Additionally, Beam’s cost rationalisation program, as announced in October last year, is on track to deliver annual savings of circa \$2.5 million. Further anticipated savings are expected from a new employment contract with Beam’s Managing Director, Michael Capocchi. More details on this will be released to the market in the coming weeks.

While Beam continues to face uncertainties and challenges under its transformation program to right-size the business, the Company is forecasting a significant improvement in net operating cash flow in

the current quarter from the cost savings, timing of new orders in Q3FY25 and the absence of one-off costs relating to the ZOLEO arbitration process, as detailed above.

The largest operating expenses in Q2FY25 were \$3.5 million in admin and corporate costs (including one-off ZOLEO arbitration related costs of \$3 million), \$3 million in product and operating costs and \$1.4 million in staff costs (staff costs declined 17.2% from the previous quarter).

All figures are subject to annual audit.

### **Investing and Financing Activities**

During the quarter, Beam recorded a net cash inflow of \$816K from Financing Activities, largely due to a \$513K loan from Adia Venture Limited, a company associated with non-executive director Carl Hung. This loan is structured on standard commercial terms.

This announcement has been approved by the Board of Directors.

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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).

## 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")**

31 December 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,904	15,737
1.2 Payments for		
(a) research and development	(13)	(25)
(b) product manufacturing and operating costs	(3,041)	(10,455)
(c) advertising and marketing	(59)	(153)
(d) leased items	(3)	(5)
(e) staff costs – <i>salaries, wages, and super</i>	(1,413)	(3,120)
(f) administration and corporate costs	(3,449)	(4,036)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	11
1.5 Interest and other costs of finance paid	(12)	(20)
1.6 Income taxes paid/refunded		(15)
1.7 Government grants and tax incentives		
1.8 Other - <i>GST, FBT, payroll tax, insurance proceeds</i>	(144)	(456)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,228)</b>	<b>(2,537)</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	(3)	(15)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(f) other non-current assets – <i>Product development capitalised</i>		(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>(3)</b>	<b>(96)</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	899	899
3.6 Repayment of borrowings	(32)	(32)
3.7 Transaction costs related to loans and borrowings	(3)	(3)
3.8 Dividends paid		
3.9 Other – <i>Lease liability payment</i>	(48)	(94)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>816</b>	<b>770</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	2,659	3,107
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,228)	(2,537)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(96)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	816	770
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>1,244</b>	<b>1,244</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,244	2,659
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>1,244</b>	<b>2,659</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	173
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	219
7.2 Credit standby arrangements		
7.3 Other ( <i>secured term loan</i> )	650	650
7.4 <b>Total financing facilities</b>	950	869
7.5 <b>Unused financing facilities available at quarter end</b>		81
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.	<p>Beam has an AUD overdraft facility of \$300,000 with National Australia Bank secured by fixed &amp; floating charge. \$219,385 was drawn at 31 December 2024.</p> <p>In revising previously issued loans, on 7 May 2021 the NAB granted a 5-year, low interest term loan facility of \$750,000 which reduced each month part secured by the Australian government to assist with funding of Beam's product development program. The available balance towards quarter end was \$135,417 and this was then fully drawn.</p> <p>Beam also received a 12-month loan from Adia Venture Limited, a company associated with non-executive director Carl Hung, on 27 December 2024 at the amount of USD \$320,000 (AUD \$514,718) at p.a. 11%.</p>	

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)	(2,228)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,244
8.3 Unused finance facilities available at quarter end (item 7.5)	81
8.4 Total available funding (item 8.2 + item 8.3)	1,325
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.6
<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?	
<p>Answer: No, the quarterly net operating cash flow included an arbitration cost of approximately \$3 million. Adjusted for this non-recurring item, the quarterly net operating cash flow would have been a cash inflow of over \$750,000.</p>	

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: Beam's cost rationalisation program, as announced in October last year, is on track to deliver annual savings of circa \$2.5 million. Further anticipated savings are expected from a new employment contract with Beam's Managing Director, Michael Capocchi.

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: Yes, as mentioned in 8.6.1 and 8.6.2 above.

*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: .....30 January 2025.....

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.