

ASX ANNOUNCEMENT**29 August 2024**

Beam FY24 Results

Highlights:

- Recurring revenue up 67%, hardware revenue down 21%
- Gross Margin stable at 30%
- Normalised EBITDA \$3.1m, down 27%
- Positive Free Cash Flow of \$0.8m (excl. arbitration payments)
- Cash at bank \$3.1m
- \$3.2m of annualised recurring revenue
- 3-year Revenue CAGR 21% , 3-year Normalised EBITDA CAGR 18%

Beam Communications Holdings Ltd (ASX: BCC) ("**Beam**" or the "**Company**") is pleased to share the results for 2024 financial year ended on 30 June 2024 (FY24).

Beam's revenue declined 17% over the previous financial year to \$32.8 million. This decline reflects a softer overall performance, exacerbated by the timing of hardware sales and the continued transition to recurring revenue, with FY23 reflecting the benefit of the initial shipment for Iridium GO exec[®] in late 2022. Consequently, Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding ZOLEO arbitration costs, dropped by 27% to \$3.1 million (FY23: \$4.3 million) and Net loss after tax was \$1.8 million.

Positively, Beam has achieved strong multi-year growth, with a 3-year Revenue Compound Annual Growth Rate (CAGR) of 21% and an EBITDA CAGR over the same period (excluding one-off arbitration expenses to support the ZOLEO arbitration process) of 18%.

Beam's Gross Margin remained steady at 30.4% underscoring our ability to maintain profitability even in challenging market conditions which included cost pressures.

FY24 recorded strong growth in recurring revenue, up 67%. This was fuelled by 45% growth in ZOLEO royalty revenue for the ANZ business of \$1 million and an 85% rise in other recurring revenues. Recurring Revenue is now 8% of Operating Revenue (FY23: 4%).

Cash Flow

Beam generated positive free cash flow of \$0.8 million, despite \$2.4 million in ZOLEO arbitration payments. This result was driven by the Company's ongoing reduction in capex spend, achieving four consecutive quarters of lower capex through enhanced efficiency and effectiveness.

Operating cash flows reached \$1.3 million, supported by strong cash receipts of \$36.5 million.

As of 30 June 2024, the Group's cash holdings stood at \$3.1 million, despite a decline from FY23, Beam remains in a strong financial position, having already largely funded costs expected for the ZOLEO arbitration process. Beam remains debt free.

Zoleo Arbitration Update

The formal process of Arbitration commenced in January 2024, between Beam and the JV Partner. In Canada on 29 April 2024 there was an Arbitration hearing lasting 2 weeks between Beam and the JV Partner. In early June 2024 written final submissions were provided.

There has been no indication or communication from the Arbitrator since final submissions, this is typical for these processes.

Following a ruling by the Arbitrator, the future ownership of ZOLEO is expected to be resolved. This has the potential to be transformational for Beam with either Beam to control ZOLEO Inc. or Beam to crystallise its value from the JV.

FY25 Outlook

Beam expects a continuation of the revenue mix shift with growth in higher margin recurring revenue offset by reduced GO! , GO! exec and ZOLEO orders. Recurring revenue from IMT Certus, is expected to commence in Q1 FY25.

As a result of this continuing revenue mix shift total revenue for FY25 is expected to be weaker.

Normalised EBITDA is expected to be similar to FY24, driven by higher-quality revenue and disciplined cost control. Beam's rigorous focus on capital expenditure (CAPEX) efficiency will further enhance financial stability and contribute to improved Free Cash Flow.

Additionally, strategic initiatives, including the outcome of the Zoleo arbitration, are expected to contribute to value creation and overall financial health.

Beam's Managing Director, Michael Capocchi said: *"While the continuing revenue mix shift away from hardware revenue towards higher margin recurring revenue and heightened cost pressures on consumer spending directly impacted our FY24 results, I'm proud that we delivered on our guidance for free cash flow and EBITDA. Our strategy for FY25 remains clear: we'll continue to focus on generating strong free cash flow and growing our recurring revenue streams, and deliver more value from Beam's core business. We are also committed to maximising the ZOLEO arbitration outcome, regardless of the result. These focused efforts will position us to navigate ongoing market challenges while building a stronger, more resilient business in the years ahead."*

This announcement has been approved by the Board of Directors.

For media and investor enquiries please contact:

Andrew Keys

e: andrew.keys@keysthomas.com

m: +61 0400 400 380

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. For more information, visit 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.