

ASX ANNOUNCEMENT

21 February 2025

**EXPECTED REBOUND IN CURRENT HALF AS H1FY25 RESULTS WERE  
ENCUMBERED BY ONE-OFF ITEMS****Highlights:**

- **Forecast recovery in H2FY25 following decline in interim results due to disruptions from streamlining initiative and one-off items**
- **Beam has the balance sheet strength to complete its transformation program and return to profitability**
- **Interim Operating Revenue down 18.8% to \$13.6M due in part to the timing of orders that were delayed to H2FY25, with Net Loss of \$12.7M (including \$10.5M in one-off items)**
- **Beam to prioritise future capital returns (over growth) with returns funded by:**
  - **Payments for its ZOLEO royalty stream,**
  - **Sale of its 50% stake in the ZOLEO Inc joint venture,**
  - **Streamlining of the rest of Beam's businesses to cashflow positive position.**
- **Positive H2FY25 outlook based on current orders, further growth in recurring revenues, cost savings and absence of one-off items**

**Beam Communications Holdings Ltd** (ASX: BCC, "Beam" or the "Company") posted a drop in revenue and earnings for the first half of financial year 2025 (H1FY25), which was weighed down by significant one-off costs and disruptions from its transformation program, although it is forecasting a rebound in the current half.

While normalised Earnings before Interest, Tax and Depreciation (EBITDA) fell 89.7% in H1FY25 compared with the previous corresponding period (PCP), it was still a positive \$199K – demonstrating the resilience of Beam's underlying business in the face of the headwinds. The normalised figure excludes the costs associated with the ZOLEO Inc. arbitration.

Interim operating revenue declined 18.8% PCP to \$13.6 million and the Company recorded a statutory net loss of \$12.7 million (vs. H1FY24 loss of \$252K), which included \$10.5 million in one-off items in the period (detailed below).

Importantly, Beam remains adequately funded to complete its streamlining transformation program and return to profitability.

"We believe that the worst is now behind us as we start to emerge from this period of transition," said Beam's Managing Director, Michael Capocchi.

"Based on the current orders on hand, further growth in recurring revenues, the ongoing cost cutting program and the absence of one-off items, we should see a marked improvement in our financial performance in the current half."

### Performance of Business Units

Beam's total recurring revenues jumped 38.8% over the PCP to \$1.7 million in H1FY25 – the highest it's ever been in any six-month period. The recurring revenue includes Beam's share of the ZOLEO royalties and sale of Airtime, an increase of 44% and 35% PCP, respectively.

Meanwhile, equipment sales from SatPhone Shop improved by 6.7% PCP to \$882K, while Core Beam equipment sales (ex ZOLEO) fell 25.3% PCP to \$7.9 million, due largely to the timing of orders that were delayed to H2FY25.

ZOLEO device sales to ZOLEO Inc fell 24.5% PCP to \$3.1 million. Beam is in the process of selling its 50% share in ZOLEO Inc. to its joint venture partner, Roadpost Inc., and will discontinue the manufacture of the ZOLEO device before the end of FY25.

### One-Off Significant Items & Future Direction

Beam is expecting a stronger second half result compared with H1FY25. The positive outlook is in part driven by the absence of significant one-off items that have weighed on the latest results.

These one-off items included \$3.1 million in costs relating to the arbitration proceedings for ZOLEO Inc., which was announced to the market in October last year, and \$7.4 million in non-cash impairment costs involving three projects:

- The first project incurred a \$3.6 million impairment charge for an R&D initiative that was completed and was being amortised monthly. Initially, the asset's useful life was assessed to be five years starting from December 2022. However, during this half-year period, it was reassessed to end in FY2025 due to accelerated revenue recognition. Consequently, the project's amortisation was accelerated and recognised as well.
- The second project faced uncertainty regarding its remaining revenue, following the ZOLEO Inc. arbitration outcome. To be prudent, management decided to write it off by \$2.3 million in the half-year period.
- The last project, an ongoing initiative worth \$1.5 million, was discontinued as part of management's strategic decision to streamline the company's R&D activities and optimise the use of company funds, focusing on capital return to investors.

It is anticipated that future capital returns will be funded through:

- Payments for Beam's ZOLEO royalties,
- The sale of Beam's 50% holdings in ZOLEO Inc., and
- The streamlining of the rest of Beam's business, whereby it will operate on a significantly reduced cost base with a sustainable positive cashflow that can help fund ongoing returns to shareholders.

Beam's cost reduction exercise is on track to save ~\$2.5 million a year, with further savings expected from a new employment contract with Beam's Managing Director, Mr. Capocchi.

The Board is also open to opportunities to crystallise the value of Beam through the sale of parts of its business or other value accretive transactions, although there is no certainty of such an outcome.

Beam's Chair and largest shareholder, David Stewart, said:

“Shareholders have weathered a challenging period and deserve to see a return on investment. It is obvious that Beam has a valuable business, which was built over several years and did not happen by accident. The current Board is focused on unlocking this value to the benefit of all shareholders.”

This announcement has been approved by the Board of Directors.

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

Brendon Lau

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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).

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**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 2024
Previous period:	For the half-year ended 31 December 2023

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

				<b>\$'000</b>
Revenues from ordinary activities	down	18.8%	to	13,547
Loss from ordinary activities after tax attributable to the owners of Beam Communications Holdings Limited	up	4949.8%	to	(12,675)
Loss for the half-year attributable to the owners of Beam Communications Holdings Limited	up	4949.8%	to	(12,675)

*Dividends*

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

*Comments*

The loss for the Group after providing for income tax amounted to \$12,675,000 (31 December 2023: \$251,000).

The half-year result includes DTA write-off of \$1,251,000, arbitration costs of \$3,064,000, and an R&D asset impairment of \$7,387,000. The \$7.4 million impairment charge for the period arose due to the early realisation of future economic benefits (\$3.6M), the cancellation of projects previously under development (\$1.5M), mitigating further capital investment and to prioritise capital returns over growth, and the write down of a development project due to the uncertainty around the ZOLEO Inc. arbitration settlement (\$2.3M).

Excluding the arbitration costs, the Group's adjusted EBITDA for the period was \$199,000.

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>3.30</u>	<u>8.49</u>

**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.

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

*Previous period*

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

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**7. Dividend reinvestment plans**

Not applicable.

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**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 2024 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Mr David Stewart  
Chairman

Date: 21 February 2025

**Beam Communications Holdings Limited**

**ABN 39 010 568 804**

**Interim Report - 31 December 2024**

**Beam Communications Holdings Limited**

**Corporate directory**

**31 December 2024**

Directors

Mr David Paul James Stewart  
Mr Michael Ian Capocchi  
Mr Carl Cheung Hung  
Mr Brendon Lau

Company secretary

Mr Dennis Frank Payne

Registered office &  
Principal place of business

Unit 5 / 8 Anzed Court Mulgrave, VIC 3170  
Ph: (03) 8561 4200

Share register

Link Market Services Ltd  
Locked Bag A14,  
Sydney South, NSW, 1235  
Ph: 1300 554 474

Auditor

William Buck  
Level 20, 181 William Street,  
Melbourne, VIC 3000  
Ph: (03) 9824 8555

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 <https://www.beamcommunications.com/investors/corporate-governance>

Email

[investor@beamcommunications.com](mailto:investor@beamcommunications.com)

## **Beam Communications Holdings Limited**

### **Directors' report**

**31 December 2024**

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' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

#### **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 David Paul James Stewart (Non-executive chairman, appointed 28 November 2024)

Mr Michael Ian Capocchi (Managing director)

Mr Carl Cheung Hung (Non-executive director, appointed 28 November 2024)

Mr Brendon Lau (Non-executive director, appointed 16 January 2025)

Mr Simon Lister Wallace (Non-executive chairman, not re-elected at AGM held on 28 November 2024)

Mr Mark Allan Chartres (Non-executive director, resigned 15 November 2024)

Mr Peter Kopanidis (Non-executive director, appointed 15 January 2024, not elected at AGM held on 28 November 2024)

#### **Company Secretary**

Mr Dennis Frank Payne

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

#### **David Paul James Stewart – Chairman**

David Stewart is an experienced CEO and successful entrepreneur with more than 30 years in management and business leadership roles. David founded Banksia Technology Pty Limited in 1988 and successfully managed the company as a fast growing and highly profitable business. In 1996 to 1997 he instigated the successful takeovers of several competitors, including NetComm Limited. David assumed the role of CEO and Managing Director until retiring in 2016.

A year later David was appointed as a Non-Executive Director of NetComm Wireless Limited, a position he held until June 2019 when NetComm was acquired by US-based Casa Systems. In 2016 David was recognised for his significant and valuable contribution to the Australian communications industry with the presentation of the Communications Ambassador 2016 award. The Australian Communications Ambassador award is the highest honour presented by ACOMMS Communications Alliance and CommsDay each year.

Since retiring, David has worked with several tech startups in an advising and investing capacity. He was Chairman of Pycom from 2017 until retiring from the board in July 2021.

David joined the board of Lockbox Technologies in 2018 until the company was taken over in May 2020 and in August 2019 he was announced as a board member for MyNetFone Group Limited.

#### **Michael Ian Capocchi – Managing Director**

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 2024**

**Carl Cheung Hung**

Carl Hung has a Bachelor of Commerce degree from the University of British Columbia and an Executive MBA from University of Western Ontario's Richard Ivey School of Business. He is a Six Sigma Black Belt certified by SGS. He is also a Certified Management Accountant. Carl is President and CEO of Season Group International Inc, a global Electronic Manufacturing Services provider with footprint in Hong Kong, China, Malaysia, Mexico and the UK.

Season Group has been the preferred contract manufacturer for Beam for several years and has been instrumental in rationalising Beam's manufacturing and supply processes.

**Brendon Lau**

Brendon Lau has deep working knowledge of Beam's businesses as he managed investor relations for the Company for five years till 2023, and he brings two decades of capital markets experience as a stock analyst, investor relations professional and financial journalist. He has worked in leading organisations, such as the Australian Financial Review and Eureka Report, and has a Master of Business Administration (MBA) from Melbourne Business School.

**Directorships of Other Listed Companies**

No 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 loss for the Group after providing for income tax amounted to \$12,675,000 (31 December 2023: \$251,000).

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

	<b>1 July 2024 to 31 Dec 2024 (\$000)</b>	<b>1 July 2023 to 31 Dec 2023 (\$000)</b>
Revenue	13,547	16,678
Other income (excluding interest income)	815	296
<i>Deduct:</i>		
Cost of goods sold, research & development, administrative marketing and corporate expenses	(17,228)	(15,844)
<b>Operating profit before amortisation, depreciation, interest and tax</b>	<b>(2,866)</b>	<b>1,130</b>
<i>Deduct:</i>		
Amortisation and impairment	(8,367)	(1,378)
Depreciation	(131)	(105)
Interest	(45)	(36)
<b>Operating profit</b>	<b>(11,409)</b>	<b>(389)</b>
Net tax benefit/(expense)	(1,266)	138
<b>Net loss for the half-year</b>	<b>(12,675)</b>	<b>(251)</b>
<b>Total comprehensive loss for the half-year</b>	<b>(12,675)</b>	<b>(251)</b>

### **Performance and Profit**

Interim operating revenue fell 18.8% compared with the previous corresponding period (PCP) to \$13.6 million and the Company recorded a statutory net loss of \$12.7 million (vs. H1FY24: \$252K). The decline in revenue is largely driven by the timing of orders, while the decline in interim profit was largely due to significant one-off items and disruptions from Beam's transformation program. These one-off items included \$3.1 million in costs relating to the arbitration proceedings for ZOLEO Inc., which was announced to the market in October last year, and \$7.4 million in non-cash impairment costs involving three projects:

- The first project incurred a \$3.6 million impairment charge for an R&D initiative that had been completed and was being amortised monthly. Initially, the asset's useful life was assessed to be five years starting from December 2022. However, during this half-year period, it was reassessed to end in FY2025 due to accelerated revenue recognition. Consequently, the project's amortisation was accelerated and recognised in the half-year period.
- The second project faced uncertainty regarding its remaining revenue, following the ZOLEO Inc. arbitration outcome. To be prudent, management decided to write it off by \$2.3 million in the half-year period.
- The last project, an ongoing initiative worth \$1.5 million, was discontinued as part of management's strategic decision to streamline the company's R&D activities and optimise the use of company funds, focusing on capital return to investors.

Beam's total recurring revenues jumped 38.8% over the PCP to \$1.7 million in H1FY25 – the highest it's ever been in any six-month period. The recurring revenue includes Beam's share of the ZOLEO royalties and sale of Airtime, an increase of 44% and 35% PCP, respectively.

Meanwhile, equipment sales from SatPhone Shop improved by 6.7% PCP to \$882K, while Core Beam equipment sales (ex ZOLEO) fell 25.3% PCP to \$7.9 million, due largely to the timing of orders, that were delayed to 2HFY25.

ZOLEO device sales fell 24.5% PCP to \$3.1 million. Beam is in the process of selling its 50% share in ZOLEO Inc. to its joint venture partner, Roadpost Inc, and will discontinue the manufacture of the ZOLEO device before the end of FY25.

In preparation for the sale of Beam's stake in ZOLEO Inc., the Company is undertaking a business simplification strategy to ensure the sustainability of Beam's other businesses going forward. In this regard, it aims to cut circa \$2.5 million in annual expenses from the business. Further savings are expected from a new employment contract with Beam's Managing Director, Mr Michael Capocchi.

### **Cash and Funding**

Beam recorded a negative net cashflow of \$1.9 million in the period, which was largely driven by the negative \$2.5 million in net operating cashflow. The cash position was negatively impacted by \$3.1 million in costs relating to the ZOLEO Inc. arbitration.

The Company recorded a positive cashflow from financing activities after receiving a US\$320K loan at arm's length from a Non-Executive Director.

Importantly, Beam remains adequately funded to complete its streamlining transformation program and return to profitability.

### **Outlook and Projects**

Beam is expecting a stronger second half result compared with H1FY25 that is driven by the current orders on hand, further growth in recurring revenues, the ongoing cost cutting program and the absence of one-off items.

The Board of Directors is prioritising capital returns over growth and future returns will be funded through the cash payment for its ZOLEO royalties, the sale of its 50% holdings in the ZOLEO Inc. joint venture and the streamlining of the rest of Beam's business, whereby it will operate on a significantly reduced cost base with a sustainable positive cashflow that can help fund returns to shareholders.

## Beam Communications Holdings Limited

### Directors' report

31 December 2024

#### Directors and Investors

Three of the previous Non-Executive Directors (NEDs) left the Board at or just before last year's Annual General Meeting. These directors were replaced with Directors who are very familiar with Beam's businesses.

David Stewart, Beam's current Chair, is the largest shareholder in Beam and was a NED of the Company from 2017 to 2022.

Current NED Carl Hung is the third largest shareholder in Beam and also served on the Board of Directors between 2013 and 2020. Both accepted their Board roles in November 2024.

Brendon Lau, who is also a shareholder in Beam, was appointed to the Board in January this year. He has deep working knowledge of Beam's businesses as he managed investor relations for the Company for five years till 2023, and he brings two decades of capital markets experience to the Company.

#### 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.

#### 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.

#### 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.

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



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Mr David Stewart  
Chairman

21 February 2025

## Beam Communications Holdings Limited

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31 December 2024

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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 20 February 2025.

## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

### To the directors of Beam Communications Holdings Limited

As lead auditor for the review of Beam Communications Holdings Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Beam Communications Holdings Limited and the entities it controlled during the period.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136

*A. A. Finnis*

**A. A. Finnis**  
Director  
Melbourne, 21 February 2025

**Beam Communications Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	4	13,547	16,678
Other income	5	827	296
<b>Expenses</b>			
Cost of sales		(9,821)	(11,148)
Employment expense		(2,416)	(2,529)
Depreciation, amortisation and impairment expense		(8,498)	(1,483)
Finance costs		(57)	(36)
Administrative expense		(237)	(222)
Arbitration costs		(3,064)	(836)
Legal, insurance and patent		(190)	-
Marketing and ICT		(325)	(475)
Other		(1,175)	(634)
<b>Loss before income tax (expense)/benefit</b>		(11,409)	(389)
Income tax (expense)/benefit	6	(1,266)	138
<b>Loss after income tax (expense)/benefit for the half-year attributable to the owners of Beam Communications Holdings Limited</b>		(12,675)	(251)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss for the half-year attributable to the owners of Beam Communications Holdings Limited</b>		<u>(12,675)</u>	<u>(251)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(14.67)	(0.29)
Diluted earnings per share	11	(14.67)	(0.29)

*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 2024**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2024 \$'000</b>	<b>30 June 2024 \$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,244	3,107
Trade and other receivables		4,712	4,953
Inventories		6,254	5,684
<b>Total current assets</b>		<b>12,210</b>	<b>13,744</b>
<b>Non-current assets</b>			
Trade and other receivables		113	113
Plant and equipment		86	92
Right-of-use assets		393	497
Development costs	7	1,240	9,397
Deferred tax		-	1,250
<b>Total non-current assets</b>		<b>1,832</b>	<b>11,349</b>
<b>Total assets</b>		<b>14,042</b>	<b>25,093</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		6,843	5,268
Contract liabilities		518	1,065
Borrowings	8	753	-
Lease liabilities		204	194
Provisions		1,091	1,480
<b>Total current liabilities</b>		<b>9,409</b>	<b>8,007</b>
<b>Non-current liabilities</b>			
Borrowings	8	148	-
Lease liabilities		198	302
Provisions		206	52
<b>Total non-current liabilities</b>		<b>552</b>	<b>354</b>
<b>Total liabilities</b>		<b>9,961</b>	<b>8,361</b>
<b>Net assets</b>		<b>4,081</b>	<b>16,732</b>
<b>Equity</b>			
Issued capital	9	17,375	17,375
Reserves		215	254
Accumulated losses		(13,509)	(897)
<b>Total equity</b>		<b>4,081</b>	<b>16,732</b>

*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 2024**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Retained profits \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	17,375	189	857	18,421
Loss after income tax benefit for the half-year	-	-	(251)	(251)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(251)	(251)
<i>Transactions with owners in their capacity as owners:</i>				
Vesting of share based payments	-	59	-	59
Adjustment for broker options issued	-	(32)	32	-
Balance at 31 December 2023	<u>17,375</u>	<u>216</u>	<u>638</u>	<u>18,229</u>
	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2024	17,375	254	(897)	16,732
Loss after income tax expense for the half-year	-	-	(12,675)	(12,675)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(12,675)	(12,675)
<i>Transactions with owners in their capacity as owners:</i>				
Vesting of share based payments	-	24	-	24
Adjustment for remuneration-based options lapsed	-	(63)	63	-
Balance at 31 December 2024	<u>17,375</u>	<u>215</u>	<u>(13,509)</u>	<u>4,081</u>

*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 2024**

For persons

Note	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	15,716	19,761
Payments to suppliers and employees (inclusive of GST)	(18,229)	(19,304)
Interest received	12	1
Insurance proceeds received	-	12
Interest and finance charges paid	(20)	(36)
Income tax payment	(15)	(4)
Net cash from/(used in) operating activities	(2,536)	430
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(16)	(18)
Payments for capitalised development costs	(81)	(1,865)
Net cash used in investing activities	(97)	(1,883)
<b>Cash flows from financing activities</b>		
Lease liability repayments	(94)	(114)
Proceeds from bank overdraft	218	-
Proceeds from bank loan	134	-
Proceeds from related party loans	512	-
Net cash from/(used in) financing activities	770	(114)
Net decrease in cash and cash equivalents	(1,863)	(1,567)
Cash and cash equivalents at the beginning of the financial half-year	3,107	4,951
Cash and cash equivalents at the end of the financial half-year	<u>1,244</u>	<u>3,384</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 2024**

**Note 1. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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 2024 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 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.

**Going concern**

The Interim Financial Report for the six months ended 31 December 2024 has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the net current assets position as at 31 December 2024 of the Group was \$2,801,000 (30 June 2024: \$5,737,000). The Group made a loss after tax of \$12,675,000 during the half year ended 31 December 2024 (31 December 2023: \$251,000). The net operating cash outflow during the half year ended 31 December 2024 was \$2,536,000 (31 December 2023: inflow of \$430,000). Cash and cash equivalents as at 31 December 2024 were \$1,244,000 (30 June 2024: \$3,107,000).

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds to believe the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group is close to finalising the terms of the settlement for the sale of its 50% share in ZOLEO Inc, a joint venture with Roadpost Inc in Canada. The sale is expected to be concluded in the second half of the financial year, with the first instalment of the sale proceeds to be received upon sale. The proceeds will be received in three further instalments over a 3-year period following the settlement.
- The half-year period result includes non-recurring charges, including an R&D asset impairment of \$7,387,000, DTA write-off of \$1,251,000, and arbitration costs \$3,064,000. Excluding the arbitration costs, the Group's adjusted EBITDA for the period was \$199,000. Following the ZOLEO Inc arbitration outcome announced in October 2024 where Beam was found to be unsuccessful, the Group launched a cost reduction program targeting annualised savings of circa \$2.5 million to improve its operational efficiency and financial position. Further savings are expected from a new employment contract with Beam's Managing Director, Mr Michael Capocchi.
- The Group has a twelve-month loan agreement with Adia Venture Limited, a company associated with non-executive director Mr Carl Hung since 27 December 2024, amounting to USD \$320,000 at 11% p.a. The Group also has a loan facility with NAB granted on 7 May 2021, which reduces each month and is partially secured by the Australian government to assist with funding Beam's product development program. This facility will expire on 8 May 2026, with a balance of \$135,000 as of 31 December 2024. Additionally, the Group has an AUD overdraft facility of \$300,000 with National Australia Bank. \$219,835 was drawn at 31 December 2024.

The Directors will continue to monitor the ongoing funding requirements of the Group.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 1. Material accounting policy information (continued)**

As a consequence of the above, the directors believe that, notwithstanding the Group's operating results for the half year, the Group will be able to continue as a going concern for the foreseeable future and therefore Directors consider it is appropriate to prepare the financial statements on a going concern basis.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**Accounting policies**

The accounting policies applied in preparing these consolidated financial statements for the half-year ended 31 December 2024 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 2024, unless otherwise stated. Refer to note 2 for changes made in relation to accounting judgements, estimates and assumptions.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The consolidated financial statements for the half-year ended 31 December 2024 were prepared on the same basis as the consolidated annual financial report for the year ended 30 June 2024, unless otherwise stated below.

*Deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The deferred tax expense reflects the movements in the deferred assets and liabilities. The directors have recognised 0% (30 June 2024: 100%) of the deferred tax assets and liabilities relating to carried forward tax losses. The directors have recognised 0% (30 June 2024: 100%) of non-refundable R&D tax credits.

The Group has written off deferred tax assets amounting to \$1,251,000 as of 31 December 2024. This decision was based on the assessment that sufficient future profitability and taxable income to fully realise the value of these assets is not expected, following a conservative approach.

The deferred tax assets may be reinstated in the future if deemed realisable, provided there are no adverse changes in income tax legislation. Additionally, the Group should be anticipated to generate sufficient future assessable income to realise the benefit and comply with the conditions of deductibility imposed by law.

**Note 3. 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.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 3. Operating segments (continued)**

*Geographical information*

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

*Major customers*

The Group has a number of customers to whom it provides products and services. The Group supplied a single customer in Canada accounting for 24% of external revenue (2024: 39%) and the second largest customer, located in the U.S., accounted for 9% of external revenue (2024: 21%). The next most significant customer accounts for 9% of external revenue (2024: 6%).

**Note 4. Revenue**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Equipment sales	11,848	15,415
Airtime	941	703
Other	758	560
	<hr/>	<hr/>
Revenue	<u>13,547</u>	<u>16,678</u>

*Disaggregation of revenue*

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

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Geographical regions</i>		
Australia	4,826	3,094
United States of America	1,518	6,149
United Arab Emirates	386	207
United Kingdom	701	651
China	231	76
Canada	3,741	3,797
Japan	277	105
Other foreign countries	1,867	2,599
	<hr/>	<hr/>
	<u>13,547</u>	<u>16,678</u>

*Timing of revenue recognition*

Goods and services transferred at a point in time	11,884	15,473
Goods and services transferred over time	1,663	1,205
	<hr/>	<hr/>
	<u>13,547</u>	<u>16,678</u>

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 5. Other income**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Research and development grant	815	283
Interest	12	13
	<u>827</u>	<u>296</u>

**Note 6. Income tax expense**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax expense	(15)	(4)
Deferred tax (expense) / benefit	(1,251)	142
	<u>(1,266)</u>	<u>138</u>

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

The directors have recognised 0% (31 December 2023: 100%) of the deferred tax assets and liabilities relating to carried forward tax losses. While the tax asset could be reinstated in a future period if deemed appropriate, management has taken a conservative approach and written off the tax asset.

**Note 7. Development costs**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Development costs	1,240	9,397
	<u>1,240</u>	<u>9,397</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 2024	9,397
Additions	210
Impairment of assets	(7,387)
Amortisation expense	(980)
	<u>1,240</u>
Balance at 31 December 2024	<u>1,240</u>

The \$7.4 million impairment charge for the period arose due to the early realisation of future economic benefits (\$3.6M), the cancellation of projects previously under development (\$1.5M), mitigating further capital investment and to prioritise capital returns over growth, and the write down of a development project due to the uncertainty around the ZOLEO Inc. arbitration settlement (\$2.3M).

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 8. Borrowings**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Bank overdraft	219	-
Related party loan	534	-
	753	-
<i>Non-current liabilities</i>		
Bank loan	148	-
	901	-

Related party loan: The Group received a 12-month loan of USD \$320,000 from Adia Venture Limited, a company associated with non-executive director Mr Carl Hung, on 27 December 2024 at 11% p.a.

Bank loan: The Group has a loan facility with National Australia Bank, which reduces each month and is partially secured by the Australian government. The facility was utilised on 26 November 2024 and was fully drawn as of 31 December 2024 at an annual interest rate of 8.75%. The facility expires on 8 May 2026.

The carrying amounts of the borrowings represent the fair value, calculated using a discount rate of 6.34%.

All bank facilities are secured by first ranking Registered Mortgage Debenture over the Group's assets including uncalled capital and called but unpaid capital.

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2024</b>
	<b>2024</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Total facilities</i>		
Bank overdraft	300	780
Bank guarantee facility	50	50
	350	830
<i>Used at the reporting date</i>		
Bank overdraft	219	-
Bank guarantee facility	50	50
	269	50
<i>Unused at the reporting date</i>		
Bank overdraft	81	780
Bank guarantee facility	-	-
	81	780

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**31 December 2024**

**Note 9. Issued capital**

	Consolidated			
	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$'000	30 June 2024 \$'000
Ordinary shares - fully paid	86,421,921	86,421,921	17,375	17,375

*(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 10. Contingent assets**

The Company is currently working on a deed of settlement with its joint venture partner, Roadpost Inc., regarding the sale of its share in the joint venture. A valuator has been appointed to determine the fair market value of all issued and outstanding shares of each class of ZOLEO. Due to the complex and multi-dimensional nature of the settlement, it is difficult to estimate the value of the settlement proceeds at this stage. Based on legal advice, the valuation and settlement are expected to be finalised in the fourth quarter of the current financial year.

**Note 11. Earnings per share**

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
Loss after income tax attributable to the owners of Beam Communications Holdings Limited	(12,675)	(251)
Loss after income tax attributable to the owners of Beam Communications Holdings Limited used in calculating diluted earnings per share	<u>(12,675)</u>	<u>(251)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	86,421,921	86,421,921
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>86,421,921</u>	<u>86,421,921</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.

	Cents	Cents
Basic earnings per share	(14.67)	(0.29)
Diluted earnings per share	(14.67)	(0.29)

**Note 12. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2024 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 2024**

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 2024 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



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Mr David Stewart  
Chairman

21 February 2025

## Independent auditor's review report to the members of Beam Communications Holdings Limited

### Report on the half-year financial report



#### Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Beam Communications Holdings Limited (the Company and its subsidiaries (the Group), does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of comprehensive income/statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and
- the directors' declaration.

#### 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 Group 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.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 within the half-year financial report, which states that the Group incurred a net loss after tax of \$12,675,000 and Net cash outflows from operations of \$2,536,000 for the half-year ended 31 December 2024. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Other Matter

The financial report of the Group for the year ended 30 June 2024 was audited by another auditor who expressed an unmodified opinion on the financial report on 29 August 2024.

## Responsibilities of the directors for the financial report

The directors of the Company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Group's financial position as at 31 December 2024 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.



**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136



**Alan Finnis**

Director

Melbourne, 21 February 2025