

25 October 2024

The Manager  
Market Announcements Platform  
Australian Securities Exchange

Notice of Annual General Meeting

Please find attached the Company's Notice of Annual General Meeting of shareholders, to be held on Thursday 28 November 2024 at 10.00am (AEDT). The meeting will be held at the Company's office at Unit 5, 8 Anzed Court, Mulgrave, Victoria and virtually via a Teams webinar conferencing facility.

The Teams webinar conferencing facility will not facilitate voting by Shareholders at the Meeting and so the Company strongly recommends that Shareholders lodge a directed proxy as soon as possible in advance of the Meeting and in accordance with the instructions set out on the Proxy Form. Voting is also available online via our share registry Link Market Services website (shown on the 'Postcard' letter), and a link to this website is also on Beam's website. Voting in person will also be available for this Meeting.

Included in the attached package are the following documents:

- 'Postcard' Notice of Annual General Meeting,
- Notice of Annual General Meeting with Explanatory Notes,
- Proxy Voting Form,
- Communications Preference Form,
- 2024 Annual Report

The 'Postcard' Notice of Annual General Meeting was mailed or emailed to shareholders and the Notice of Annual General Meeting and accompanying documents were made available on the Company's website today, 25 October 2024.

As explained in the "Postcard", the Notice of Annual General Meeting and accompanying documents are available for shareholders to access electronically.

A copy of the Annual Report for the year ended 30 June 2024 is attached here, it was lodged with the ASX on 29 August 2024 and is available on the Company's website.

Yours faithfully



Dennis Payne  
Company Secretary

25 October 2024

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2024 Annual General Meeting of Beam Communications Holdings Limited (*Company*) will be held at the Company's office at Unit 5, 8 Anzed Court, Mulgrave, Victoria and virtually via a Teams webcast conferencing facility, on Thursday, 28 November 2024 at 10.00am (AEDT) (*AGM or Meeting*).

Please note that shareholders viewing the 2024 AGM via the live webcast will not be able to vote online at the Meeting and should submit their proxy in advance of the Meeting. All proxy votes must be lodged by 10.00am (AEDT) on Tuesday, 26 November 2024.

Voting in person will also be available for this Meeting. To vote in person at the Meeting you must physically attend the Meeting at the time, date and place set out above. **However, the Company strongly recommends that Shareholders instead lodge a directed proxy in advance of the Meeting**, even if they are planning to attend the Meeting at Mulgrave or online.

If you are a Shareholder who wishes to participate in the virtual meeting, please go to <https://beamcommunications.com/agm2024> for further details and a link to register for the Teams webcast. The Company suggests that Shareholders register well in advance of the Meeting and log into the Teams webcast 10 minutes before the 10.00am start time.

Copies of the Notice of Annual General Meeting and Explanatory Statements will be posted to shareholders who have elected to receive them, and are also available for download below:

- You can access the Meeting Materials, and a link to register for the webcast, online at the Company's website [www.beamcommunications.com/agm2024](http://www.beamcommunications.com/agm2024) or via logging in to the Company's registrar Link Market Services' website at <https://investorcentre.linkgroup.com/Login>
- A complete copy of the Meeting Materials have been posted to the Company's ASX market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "BCC".

Yours faithfully,  
Dennis Payne  
Company Secretary  
Beam Communications Holdings Limited



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## BEAM COMMUNICATIONS HOLDINGS LIMITED

ACN 010 568 804

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2024 Annual General Meeting of Beam Communications Holdings Limited (*Company*) will be held as an in-person meeting at the Company's office at Unit 5, 8 Anzed Court, Mulgrave, Victoria on Thursday, 28 November 2024 at 10.00am (AEDT) (*AGM or Meeting*). Shareholders will also be able to view the Meeting live via Teams webcast.

Shareholders unable to attend in person can submit questions in advance of the Meeting (see page 3), ask questions online during the Meeting via Teams (see page 3) and vote by appointing a proxy. Please note that shareholders viewing the 2024 AGM via the live webcast will not be able to vote online at the Meeting and should submit their proxy in advance of the Meeting. All proxy votes must be lodged by 10.00am (AEDT) on Tuesday, 26 November 2024 (as described on pages 3 and 4).

### AGENDA

#### A. ANNUAL REPORT

*To table the financial report of the Company and the related reports of the Directors and auditors for the year ended 30 June 2024 and to provide Shareholders with the opportunity to raise any issues or ask any questions generally of the Directors concerning the Annual Report or the business and operations of the Company.*

#### B. ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

##### 1. Re-election of Director

*THAT Simon Lister Wallace, a Director retiring by rotation in accordance with the Company's Constitution, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.*

##### 2. Election of Director

*THAT Peter Kopanidis, a Director appointed by the Board on 15 January 2024 in accordance with the Company's Constitution, being eligible and having offered himself for election, be elected as a Director of the Company.*

##### 3. Adoption of Remuneration Report

*THAT, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Directors' Report in the Annual Report for the financial year ended 30 June 2024 be adopted by the Company.*

This is a non-binding advisory resolution.

##### 4. Adoption of Employee Option Plan

*THAT, in accordance with Exception 13(b) of ASX Listing Rule 7.2, and for all other purposes, approval is given to the terms and conditions of the Employee Option Plan rules and to the subsequent issue of the securities under that plan on the terms and conditions, a summary of which is set out in the Explanatory Notes.*

**5. Grant of Options to Peter Kopanidis (Non-Executive Director)**

*THAT, in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 178,000 options to Peter Kopanidis, an independent Non-Executive Director of the Company, exercisable at \$0.30 per option, vesting on 9 February 2025 and exercisable on or before 9 February 2026, on the terms and conditions set out in the Explanatory Notes.*

**6. Appointment of Auditor**

*THAT, for the purpose of section 328B(1) of the Corporations Act and for all other purposes, upon the resignation of RSM Australia as the auditor of the Company and upon compliance with all other requirements set out in the Corporations Act, the Company appoint William Buck of 181 William Street, Melbourne as auditor of the Company.*

**C. SPECIAL RESOLUTIONS**

To consider and, if thought fit, to pass the following resolution as a special resolution:

**7. Approval for Additional Placement Capacity**

*THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue and allotment of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.*

DATED: 25 October 2024

By Order of the Board

Dennis Payne  
Company Secretary



## GENERAL NOTES

### 1. Physical Meeting and viewing via Teams webcast

The Meeting will be held as a physical meeting at the Company's offices at Mulgrave. Registration will commence at 9.30am (AEDT) on the day. All attendees will register their attendance at the registration desk upon arrival.

Shareholders who are unable to attend the Meeting in person will be able to view the Meeting live and ask questions via Teams webcast. If you are a Shareholder who wishes to view the Meeting via Teams, please go to <https://beamcommunications.com/agm2024> for further details and a link to register for the Teams webcast. The Company suggests that Shareholders register well in advance of the Meeting and log into the Teams webcast 10 minutes before the 10.00am start time.

### 2. Voting

The 2024 AGM Teams webcast will not facilitate voting online by Shareholders at the Meeting. Shareholders unable to attend in person can only vote by appointing a proxy and the Company strongly recommends that these Shareholders lodge a directed proxy as soon as possible in advance of the Meeting.

Voting in person will also be available for this Meeting. To vote in person at the Meeting you must physically attend the Meeting at the time, date and place set out above. Shareholders who are voting in person at the Meeting will be given a voting card upon registration. Shareholders will be required to mark their votes for the respective resolutions at the Meeting. **However, the Company strongly recommends that Shareholders instead participate via the Teams webcast and lodge a directed proxy.**

### 3. Voting by proxy

- 3.1 **(Appointing a Proxy):** A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting by way of the proxy form. A Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint a second proxy. The appointment of the second proxy must be done on a separate copy of the proxy form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a Shareholder of the Company.
- 3.2 **(Direction to Vote):** If the proxy's appointment specifies the way to vote on a Resolution, and the proxy decides to vote in that capacity on that Resolution, the proxy must vote the way specified (subject to the other provisions of this Notice of Meeting, including the voting exclusions noted below).
- 3.3 **(Voting restrictions with respect to undirected proxies):** The *Corporations Act 2001* (Cth) (*Corporations Act*) prohibits the Company's key management personnel and their closely related parties voting as proxy on Resolutions connected directly or indirectly with the remuneration of key management personnel (such as Resolutions 3, 4 and 5, if the proxy appointment does not specify the way the person is to vote. The prohibition does not apply to the Chairman of the Meeting where the proxy

appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a Shareholder appoints the Chairman of the Meeting as their proxy and the Shareholder does not direct the Chairman of the Meeting how to vote on Resolutions 3, 4 and 5 the Shareholder authorises the Chairman of the Meeting in respect of Resolutions 3, 4 and 5 to exercise the proxy:

- (a) notwithstanding that Resolutions 3, 4 and 5 are connected directly or indirectly with the remuneration of the Company's key management personnel; and
- (b) even if the Chairman of the Meeting has an interest in the outcome of the vote on Resolutions 3, 4 and 5, and that any votes cast by the Chairman of the Meeting in respect of Resolutions 3, 4 and 5, other than as proxy holder, will be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the voting restrictions set out in this Notice of Meeting) in favour of Resolutions 3, 4 and 5.

3.4 **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form (and attach any authority under which it is signed or a copy which appears on its face to be an authentic copy) by:

- (a) online to: <https://investorcentre.linkgroup.com> by following the prompts. You will need your Securityholder Reference Number (SRN) / Holding Identification Number (HIN). These can be found on your holding statement, or
- (b) post to Beam Communications Holdings Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South. NSW 1235 Australia, or
- (c) faxing it to +61 2 9287 0309, or
- (d) hand delivering it to Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta. NSW 2150.

so that it is received by 10.00am (AEDT) on Tuesday, 26 November 2024, being not less than 48 hours prior to commencement of the Meeting. Any revocations of proxies or any original or a certified copy of any power of attorney under which the Voting Instruction was signed must also be received by this time unless previously provided to the share registry.

**Proxy Instructions received later than this time will be invalid.**

**Please note:** Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

4. **Corporate Representative**

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. Unless it has previously been given to the Company, the representative should provide evidence of their appointment to the Company prior to Meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the Corporations Act.

5. **Attorney**

A Shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours prior to commencement of the Meeting.

6. **Voting Entitlement**

A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 that those persons who are registered as the holders of shares in the Company at 7.00pm (AEDT) on Tuesday, 26 November 2024, will be taken to be the holders of shares for voting entitlements.

7. **Explanatory Notes**

Explanatory Notes accompany this Notice containing information about the business referred to in this Notice of Meeting.

## **EXPLANATORY NOTES**

The purpose of these Explanatory Notes (which are included in and form part of this Notice of Annual General Meeting to be held on 28 November 2024) is to provide Shareholders with further information and an explanation of the business of the Meeting and of the resolutions to be proposed and considered at the Meeting, and to assist Shareholders to determine how they wish to vote on these resolutions.

### **A. ANNUAL REPORT**

#### **1. Annual Report**

The Corporations Act 2001 (Cth) (*Corporations Act*) requires that the Company's Annual Report which includes the Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2024 be laid before the Annual General Meeting.

A copy of the Annual Report has been lodged with the ASX, is available on the Company's website and has been mailed to those Shareholders who have elected to receive a hard copy.

Shareholders will have the opportunity to raise questions about the abovementioned reports at the Meeting, although in accordance with the Corporations Act and the Company's Constitution, there is no need for Shareholders to vote on, approve or adopt these reports.

### **B. ORDINARY RESOLUTIONS**

#### **2. Resolution 1 – Re-election of Retiring Director (Simon Lister Wallace)**

##### **2.1 Background**

Rule 16.1 of the Company's Constitution requires at least one third of the Directors to retire each year (by rotation). Simon Wallace retires this year in accordance with this rule and is permitted to seek re-election.

##### **2.2 Director's Interest**

Simon Wallace holds 350,000 ordinary shares in the Company but no options.

##### **2.3 Personal Particulars**

Simon Wallace's personal particulars are set out in the information on Directors at page 7 of the Company's Annual Report.

##### **2.4 Recommendation**

The Directors recommend, with Simon Wallace abstaining from the recommendation, that Shareholders vote in favour of Resolution 1.

### **3. Resolution 2 – Election of Director (Peter Kopanidis)**

#### **3.1 Background**

ASX Listing Rule 14.4 and rule 13.2 of the Constitution of the Company provide that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Peter Kopanidis, who was appointed as a Non-Executive Director by the Board on 15 January 2024, retires in accordance with rule 13.2 of the Constitution and ASX Listing Rule 14.4 and, in accordance with the Company's Constitution and being eligible, offers himself for election at this Meeting of the Company.

#### **3.2 Director's Interest**

Peter Kopanidis holds 55,500 ordinary shares in the Company but no options.

#### **3.3 Personal Particulars**

Peter Kopanidis' personal particulars are set out in the information on Directors at page 8 of the Company's Annual Report.

#### **3.4 Recommendation**

The Directors recommend, with Peter Kopanidis abstaining from the recommendation, that Shareholders vote in favour of Resolution 2.

### **4. Resolution 3 – Adoption of Remuneration Report**

#### **4.1 Remuneration Report in Annual Report**

The Annual Report for the year ended 30 June 2024 contains a Remuneration Report (refer pages 15-22) which sets out the remuneration policy for the Company and reports remuneration arrangements in place for Directors and key management personnel.

The Corporations Act requires the agenda of an annual general meeting to include a resolution for the adoption of the Remuneration Report. Pursuant to section 250R(3) of the Corporations Act, the vote on the resolution is advisory only and is not binding on the Directors or the Company.

The Company's Annual Report is available on the Company website <https://beamcommunications.com/investors/annual-reports> and will be mailed to Shareholders who request a copy.

At last year's AGM just over 97% of the votes cast by shareholders were for the adoption of the 2023 Remuneration Report.

At the Meeting, a reasonable opportunity will be allowed to the Shareholders for questions and comments on the Remuneration Report.

## **4.2 Voting Prohibition**

A vote on Resolution 3 must not be cast by or on behalf of either of the following persons:

- (a) a member of the key management personnel as disclosed in the Remuneration Report; and
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote on Resolution 3 in accordance with the direction on the proxy form.

## **4.3 Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3.

## **5. Resolution 4 – Adoption of Employee Option Plan**

### **5.1 Background**

Subject to a number of exceptions, Rule 7.1 of the ASX Listing Rules limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities.

Listing Rule 7.2 (Exception 13(b)) provides that where shareholders have approved the issue of securities under an employee incentive scheme within three years before the date of issue, Rule 7.1 does not apply to that issue. In accordance with the requirements of Listing Rule 7.2 Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Employee Option Plan is set out in Schedule 1 of these Explanatory Notes;
- (b) the Employee Option Plan was last approved by shareholders at the AGM held on 30 November 2021. Shareholders are being asked to approve the issue of options subsequent to this meeting under the Employee Option Plan as an exception to Listing Rule 7.1. The Company notes that the Employee Option Plan is unaltered since its initial approval in 2008;
- (c) up to a maximum of 10,000,000 options are proposed to be issued under the Employee Option Plan during the 3-year period following approval by Shareholders; and
- (d) a voting exclusion statement has been included in this Notice of meeting for the purposes of Resolution 4.

If Resolution 4 is passed, the Company will be able to issue equity securities under the Employee Option Plan in accordance with Listing Rule 7.2 (Exception 13(b)) without consuming the Company's 15% capacity to issue securities without shareholder approval under Listing Rule 7.1. If Resolution 4 is not passed, any equity securities issued under the Plan will not fall within the Listing Rule 7.2 (Exception 13(b)) and accordingly will consume some of the Company's 15% capacity to issue securities without shareholder approval under Listing Rule 7.1.

## 5.2 Objectives of the Plan

The objectives of the Employee Option Plan are as follows:

- (a) to assist in giving an incentive to employees of the Company and its subsidiaries to lift the performance of the Company and maximize the price of the Company's shares; and
- (b) to assist in attracting and retaining employees.

## 5.3 Number of Securities Issued Under the Plan

The number of securities issued under the Plan, since the Plan was last approved on 30 November 2021, are as follows:

|  |           |
|--|-----------|
| Total Options Issued                       | 2,230,798 |
| Total Options Currently on Issue           | 2,230,798 |
| Total Shares issued on exercise of Options | Nil       |

## 5.4 Copies of the Plan

A copy of the rules of the proposed Beam Communications Holdings Limited employee option plan is available for inspection at the registered office of the Company and will be sent free of charge to any shareholder on request. The Plan is unaltered from the Plan originally approved by shareholders in November 2008.

## 5.5 Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by or on behalf of:

- (a) a person who is eligible to participate in the employee incentive scheme; or
- (b) an associate of that person.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as Proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the person chairing the meeting (**Chair**) as Proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and

- (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **5.6 Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4.

## **6. Resolution 5 – Grant of Options to Peter Kopanidis (Non-Executive Director)**

### **6.1 Background**

Under Resolution 5, the Company seeks Shareholder approval under ASX Listing Rule 10.14 for the issue of 178,000 options to Peter Kopanidis as remuneration and also as a long term incentive in respect of performance in future financial years.

### **6.2 ASX Listing Rule Disclosure Requirements**

ASX Listing Rule 10.14 prohibits the issue of securities to Directors under an employee incentive scheme without shareholder approval.

For the purposes of ASX Listing Rule 10.15, the following information is given to Shareholders:

- (a) Name and category of the related party

The options are proposed to be issued to Peter Kopanidis. Peter Kopanidis is a related party as he is a Non-Executive Director of the Company.

- (b) Maximum number options to be issued

The maximum number of options to be issued to Peter Kopanidis is 178,000.  
The options to be issued under Resolution 5 have the following terms:

- (i) Each option entitles the holder to one (1) fully paid ordinary share in the capital of the Company.
- (ii) The options vest with the holder on 9 February 2025.
- (iii) The options are exercisable before 9 February 2026.
- (iv) The options are exercisable at a price of \$0.30 each.
- (v) If the holder is no longer a Director of the Company for any reason, the options will automatically lapse.
- (vi) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The options will be unlisted. No quotation will be sought from the ASX for the options.
- (vii) The options are not transferable.
- (viii) In accordance with ASX Listing Rule 6.19, option holders will not have a right to participate in new issues without exercising their options prior to the record date of such a new issue.
- (ix) In the event of a reorganisation of the capital of the Company the rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.



Notwithstanding that the issue of these options is subject to Shareholder approval, Accounting Standard AASB 2 requires the expensing of Director's options to begin from the commencement of service related to those options. The issue of the options will result in the Company recognising a total estimated expense of \$6,112 over the following financial years:

- (i) Year ended 30 June 2024: \$1,187
- (ii) Year ended 30 June 2025: \$3,052
- (iii) Year ended 30 June 2026: \$1,873

(c) Valuation

The Company has obtained a fair value of the options to be granted using the Black Scholes Model under several scenarios, including a scenario where the terms of the issue are as set out in paragraph (b) above. In such scenario, the assessed value of each Option was \$0.03434, or a total of \$6,112 for the 178,000 options proposed to be issued to Peter Kopanidis. The valuation was assessed as at 9 February 2024 (being the date that the issue of these options was agreed).

The above valuation is based on the following variables and assumptions being considered:

| Valuation Input            | Assumptions  |
|----------------------------|--|
| Date of AGM                | 28 November 2024   |
| Grant Date                 | 9 February 2024  |
| Assumed share price        | \$0.20 based on the average of the 10-day, 20-day and 30-day VWAP which also closely reflects the mid point of the low and high closing prices in these periods* |
| Vesting Date               | 9 February 2025  |
| Expiry Date                | 9 February 2026  |
| Stock volatility           | 50% based on considerations of the trading history of the Shares and analysis of the trading history of ASX listed companies comparable to the Company           |
| Risk-free rate of interest | 4.35% based on Treasury Bond yields sourced from the Reserve Bank of Australia and with a 5 year expiry*   |
| Dividend yield             | 0.0% on the assumption that no dividend will be paid over the currency of the Options.   |

\* As the Company's share price in the month prior to and around the date of this notice was approximately \$0.14, and the current relevant risk free rate remains at 4.35%, a current valuation of these options would be lower than the \$6,112 valuation if an assumed share price of \$0.14 with a risk free rate of 4.35% was used.

(d) Director's remuneration

As at the date of this Notice, the annual remuneration (inclusive of superannuation where applicable but excluding options expense) payable to Peter Kopanidis for the current and the previous financial year is set out below:

|                 | Current Year           | Year ended 30 June 2024 |
|-----------------|------------------------|-------------------------|
| Peter Kopanidis | \$55,000 pa (estimate) | \$22,522 in cash*       |

\* Peter Kopanidis was appointed as a Director of the Company on 15 January 2024.

(e) Details of prior issues

Peter Kopanidis has not previously received any securities under the Employee Option Plan (which was approved by Shareholders at the Company's annual general meeting held on 30 November 2021 and again proposed as a resolution at this meeting).

(f) Key terms of the options to be issued

The securities that are proposed to be issued are options. A summary of the key terms of the Employee Option Plan (which was approved by Shareholders at the Company's annual general meeting held on 30 November 2021 and again proposed as a resolution at this meeting) which govern the terms of the options to be issued are set out in Schedule 1 of these Explanatory Notes. The options are proposed to be issued to remunerate Peter Kopanidis and as a long term incentive for future services.

(g) Date of Issue

The issue of options is contingent upon this approval. It is the intention of the Company that the options will be issued to Peter Kopanidis within 1 year of approval.

(h) Loans

There is no intention for the Company to grant a loan in relation to the options or acquisition of the options under the Employee Options Plan.

(i) Issue Price and Use of Funds

The options will be issued to Peter Kopanidis for nil consideration and no funds will be raised from the issue of the options. However, if all the options are issued and are subsequently exercised, the Company will receive \$53,400. Any funds raised on the exercise of the options will be applied as working capital.

(j) Statements prescribed by ASX Listing Rule 10.15.11

Details of any securities issued under the Employee Option Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Employee Option Plan after this Resolution 5 is approved and who have not been named in this Notice of Meeting will not participate until approval is obtained under that rule.

(k) Voting exclusion

A voting exclusion statement is included below in section 6.5 below.

The following information is provided for the purposes of ASX Listing Rule 14.1A: If Shareholders do not approve Resolution 5 then the Company would be unable to complete the proposed issue of the options to Peter Kopanidis as contemplated. The options are intended to serve as additional incentive to Peter Kopanidis to further align his interests with those of Shareholders. If Resolution 5 is not approved, then the Company may elect to provide additional cash remuneration to Peter Kopanidis which would reduce the cash resources of the Company being available to spend on its operations.

### **6.3 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to its directors without shareholder approval, unless the giving of the financial benefit falls under one of the exceptions specified in the Corporations Act. Financial benefit is defined in the Corporations Act in broad terms and includes a public company issuing options.

The Directors (excluding Peter Kopanidis) have determined that the contemplated issue of the options is appropriate and reasonable in all circumstances as they are remuneration in nature and the giving of this remuneration is reasonable given the circumstances of the Company and Peter Kopanidis (including the responsibilities involved in his role as Non-Executive Director). Therefore, the Company considers that the issue of the options to Peter Kopanidis comes within section 211 of the Corporations Act and Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

### **6.4 Voting Prohibition Statement**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the key management personnel; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the key management personnel.

## **6.5 Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) Peter Kopanidis and any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question; or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on Resolution 5 in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the direction to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
  - (ii) the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

## **6.6 Recommendation**

The other Directors (excluding Peter Kopanidis) recommend that Shareholders vote in favour of Resolution 5.

## **7. Resolution 6 – Appointment of Auditor**

### **7.1 Background**

As part of its governance function the Company has undertaken a review process regarding its external audit function based on fees, independence, scope of audit, issues resolution and non-audit services, tendering to 4 companies including the incumbent RSM Australia. As a result of that review process the Company wishes to appoint William Buck of 181 William Street, Melbourne as its auditor.

The Company notes that William Buck is a well-established firm with the necessary expertise and resources to meet the Company's requirements. It is further noted that fees quoted by William Buck for performing the auditor role are competitive.

Consequently, subject to the obtaining of shareholder approval and ASIC's consent to the resignation of RSM Australia, William Buck has been nominated to become the new auditor of the Company.

The Company has received a notice from Bruce George Hotton, being a member of the Company, nominating William Buck as the new auditor of the Company. In accordance with section 328B(1) of the Corporations Act, a copy of the notice of nomination of William Buck received by the Company is attached as Annexure A.

The Corporations Act requires that shareholders approve the appointment of a new auditor.

William Buck has provided the Company written consented to act as auditor of the Company, in accordance with section 328B(1) of the Corporations Act.

RSM Australia have not yet received the consent of ASIC to resign as auditor of the Company. William Buck cannot be appointed as the Auditor of the Company until such time as RSM Australia resigns and will not be appointed until the date prescribed by ASIC.

## **7.2 Recommendation**

The Directors recommend that shareholders vote in favour of Resolution 6.

## **C. SPECIAL RESOLUTIONS**

### **8. Resolution 7 - Approval for Additional Placement Capacity**

#### **8.1 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A provides that an eligible entity may seek Shareholder approval from holders of its ordinary securities by special resolution to allow it to issue equity securities totalling up to 10% of its issued capital through placements over the 12 month period after the entity's annual general meeting at which the approval is obtained (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an eligible entity.

The effect of Resolution 7 will be to allow the Directors to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the 12 month period after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

The Company is now seeking Shareholder approval of Resolution 7 by way of a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 7 for it to be passed.

Any equity securities issued under ASX Listing Rule 7.1A must be in the same class as an existing class of quoted equity securities. As at the date of this Notice, the Company has only one class of quoted equity securities on issue, being ordinary shares.

The exact number of equity securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

**(A x D) – E**

Where:

- A** = the number of fully paid ordinary securities on issue 12 months before the issue date or date of agreement to issue:
- (i) plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
  - (ii) plus the number of partly paid ordinary securities in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (B) the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
  - (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
    - (A) the agreement was entered into before the commencement of the relevant period; or
    - (B) the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,
  - (iv) plus the number of fully paid ordinary securities issued in the previous 12 months with approval under ASX Listing Rule 7.1 or 7.4;
  - (v) plus the number of partly paid ordinary securities that became fully paid in the relevant period; and
  - (vi) less the number of fully paid ordinary securities cancelled in the previous 12 months.
- D** = 10%.
- E** = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or date of agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.4.

“relevant period” means:

- if the entity has been admitted to the official list for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

## 8.2 Information required by ASX Listing Rule 7.3A

(a) *Additional Information required by ASX Listing Rule 7.3A.6*

During the 12 month period preceding the date of this Meeting, the Company has not issued or agreed to issue any securities under ASX Listing Rule 7.1A.2.

(b) *Minimum Price for future issues under the 10% Placement Capacity*

If the 10% Placement Capacity is used, the minimum price at which the equity securities may be issued is no less than 75% of the volume weighted average price of the Company's equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed by the Company and the recipient of the securities; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

(c) *Date of Issue*

If any equity securities are to be issued pursuant to the approval set out in Resolution 7, they will be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next Annual General Meeting; and
- (iii) the date of approval by the Company's holders of ordinary shares of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(d) *Risk of voting dilution*

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any shares under the issue. There is also a risk that:

- (i) the market price for the Company's shares may be significantly lower on the date the issue of the shares than on the date of the AGM;
- (ii) the shares may be issued at a price that is at a discount to the market price for the Company's shares on the issue date.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing shares would be as shown in the table below.

The table below shows:

- (i) the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of shares and the current number of equity securities on issue as at the date of this Notice.
- (ii) The table also shows the voting dilution impact where the number of shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of shares issued under 10% Placement Capacity.

| Number of shares on issue          | Dilution   |   |   |   |
|------------------------------------|--|---|---|---|
|                                    | Number of shares issued under 10% Placement Capacity | Funds raised based on issue price of \$0.075 (50% decrease in current market price) | Funds raised based on issue price of \$0.15 (Closing price at market close on 16/10/2024) | Funds raised based on issue price of \$0.225 (50% increase in current market price) |
| <b>86,421,921 (Current)</b>        | 8,642,192  | \$648,164   | \$1,296,328   | \$1,944,492   |
| <b>129,632,881 (50% increase)</b>  | 12,963,288   | \$972,246   | \$1,944,492   | \$2,916,738   |
| <b>172,843,842 (100% increase)</b> | 17,284,384   | \$1,292,328   | \$2,592,656   | \$3,888,984   |

The number of shares on issue (variable A in the formula) could increase as a result of the issue of shares that do not require Shareholder approval (such as under a pro-rata rights issue or shares issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

- The current shares on issue are the shares on issue as at 16 October 2024.
- The issue price set out above is the closing price of the shares on the ASX on 16 October 2024.
- No options are exercised before the date of the issue of the equity securities.
- The Company issues the maximum possible number of equity securities available under the 10% Placement Capacity.



- The Company has not issued any equity securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The calculations above do not show the dilution that may be caused to a particular Shareholder by reason of any issue of securities under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1, including dilution which may occur following issues of securities subject to approval under Resolutions 5 and 7.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the shares may be issued at a price that is at a discount to the market price for those shares on the date of issue.

(e) *Purpose of Issue under 10% Placement Capacity*

The Company may seek to issue equity securities under the 10% Placement Capacity for cash consideration only, which the Company may use towards acquisition of new assets or investments (including expenses associated with such acquisition) and/or general working capital.

(f) *Allocation under the 10% Placement Capacity*

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both).

The Company will determine the allottees at the time of the proposed issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

### **8.3 Voting Exclusion**

As at the date of this Notice, the Company has not invited any existing Shareholders to participate in an issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

### **8.4 Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 7.

## **Schedule 1 – Summary of key terms of the Employee Option Plan**

A Summary of the key terms of the Employee Option Plan are as follows:

(a) Eligibility

The Board may issue options under the Plan to any employee of the Company and its subsidiaries, including executive directors and non-executive directors.

(b) General Terms of the Options

(i) Options will be issued free of charge, unless the Board determines otherwise.

(ii) Each option is to subscribe for one ordinary share in the Company and, when issued, the share will rank equally with all other shares on issue.

(iii) The options are not transferable.

(iv) Quotation of the options on the ASX will not be sought but the Company will apply to the ASX for official quotation of shares issued on the exercise of options.

(v) Options may be granted subject to conditions specified by the Board which must be satisfied before the option can be exercised.

(c) Exercise of Options

Unless the terms on which an option was offered specify otherwise, an option may be exercised at any time up to the expiry date specified when the options are granted, provided the employee is still employed by the Company.

An option lapses within one month of the termination of the employee's employment by the Company and within three months in the event of the employee's death or disablement.

(d) Exercise Price

The exercise price per Share for an option will be the amount determined by the Board at the time of the grant of the option.

(e) New Issue of Securities

Option holders will not be entitled to participate in any new issue of securities in the Company unless they exercise their options prior to the record date for the determination of entitlements to the new issue.

(f) Bonus Issues

If the Company makes a bonus issue of securities to ordinary shareholders, each unexercised option will, on exercise, entitle its holder to receive the bonus securities as if the option had been exercised before the record date for the bonus issue.

(g) Rights Issues

If the Company makes a pro-rata rights issue of shares for cash to its ordinary shareholders, the exercise price of unexercised options is adjusted to reflect the diluting effect of the issue.

(h) Capital Reorganizations

If there is any reorganization of the capital of the Company, the number of options and their exercise price will be adjusted in accordance with the Listing Rules.

(i) Limit on Number of Options

Up to a maximum of 10,000,000 options can be issued under the Employee Option Plan during the 3-year period following approval by Shareholders (where such approval was obtained from Shareholders at the Company's annual general meeting held on 30 November 2021 and again proposed as a resolution at this meeting).

Annexure A

**Re: Resolution 6 - Appointment of Auditor**

**Notice of Nomination**

The Company Secretary  
Beam Communications Holdings Limited  
ACN 010 568 804  
Unit 5/8 Anzed Court  
MULGRAVE VIC 3170

I, Bruce George Hotton, being a member of the Company, hereby gives the Company notice under section 328B of the Corporations Act 2001 (Cth) of the nomination of:

William Buck of 181 William Street, Melbourne. 3000

to be auditor of the Company and its controlled entities.

10 October 2024

Yours Faithfully

A handwritten signature in black ink, appearing to read "Bruce G. Hotton". The signature is written in a cursive, flowing style.

Bruce George Hotton





ACN 010 568 804

## LODGE YOUR VOTE



## ONLINE

<https://investorcentre.linkgroup.com>

## BY MAIL

Beam Communications Holdings Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

## BY FAX

+61 2 9287 0309



## BY HAND

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150

## ALL ENQUIRIES TO

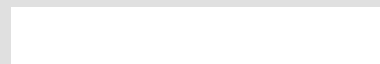
Telephone: 1300 554 474

Overseas: +61 1300 554 474

## PROXY FORM

I/We being a member(s) of Beam Communications Holdings Limited and entitled to attend and vote hereby appoint:

## APPOINT A PROXY

the Chairman of the  
Meeting (mark box)**OR** if you are **NOT** appointing the Chairman of the Meeting  
as your proxy, please write the name of the person or  
body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (AEDT) Thursday, 28 November 2024 at Unit 5, 8 Anzed Court, Mulgrave, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting

**Important for Resolutions 3, 4 & 5:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4 & 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

## Resolutions

1 Re-election of Director,  
Simon Lister Wallace

For Against Abstain\*

☐ ☐ ☐2 Election of Director,  
Peter Kopanidis☐ ☐ ☐

3 Adoption of Remuneration Report

☐ ☐ ☐

4 Adoption of Employee Option Plan

☐ ☐ ☐5 Grant of Options to Peter Kopanidis  
(Non-Executive Director)

For Against Abstain\*

☐ ☐ ☐

6 Appointment of Auditor

☐ ☐ ☐

## Special Resolution

7 Approval for Additional Placement  
Capacity☐ ☐ ☐

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BCC PRX2401N

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEDT) Tuesday, 26 November 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Beam Communications Holdings Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\* During business hours (Monday to Friday, 9:00am–5:00pm)

### IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.





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| Postcode |  |  |  |  |

A blank coordinate grid with 10 columns and 10 rows. The horizontal axis is labeled 'x' and the vertical axis is labeled 'y'. The grid consists of 10 vertical lines and 10 horizontal lines, creating a 10x10 array of squares. The axes are labeled at the origin (0,0).



**GO ONLINE AND GO GREEN TO HELP THE ENVIRONMENT**

To receive your communications electronically via your nominated email address you can log on to the website: **[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)** or scan the QR code and follow the instructions provided. Alternatively please insert your email address in the space provided and return the form.



If you do not take any action you will continue to receive your communications (including the annual report and meeting documents, if applicable) by post.

[illegible]

**Personal Information Collection Notification Statement:** MUFG Pension & Market Services ("MPMS") advises that your personal information is collected by MPMS organisations for the administration of your investment as required or permitted by the *Corporations Act 2001* (Cth) and other legislation. Some or all of your personal information may be disclosed to contracted third parties, or related MPMS companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the MPMS privacy policy, or contact us by phone on +61 1300 554 474 to request a copy.

**BCC CPE009**



# 2024 ANNUAL REPORT



WORLD CLASS SATELLITE SOLUTIONS



As a market leader,  
Beam excels to meet  
the emerging needs  
of our customers  
in mobile satellite  
technology, tracking,  
monitoring and  
communication for  
over two decades.



SOURCE: GME PTY LTD

## Directors

Mr Simon Lister Wallace  
Mr Michael Ian Capocchi  
Mr Mark Allan Chartres  
Mr Peter Kopanidis

## 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, 1235x  
Ph: 1300 554 474

## Auditor

RSM Australia Partners  
Level 27, 120 Collins Street  
Melbourne, VIC 3000  
Ph: (03) 9286 8000

## Solicitors

Thomson Geer  
Level 23, Rialto South Tower, 525 Collins Street  
Melbourne, VIC, 3000  
Ph: (03) 8080 3500

## 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](https://www.beamcommunications.com/investors/corporate-governance)

## Email

investor@beamcommunications.com

## ASX Office

Based in Melbourne

## ASX Code

BCC

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# Letter from the Chairman

Dear Shareholders,

On behalf of the Board, I am pleased to present the following Chairman's Report for the financial year ending 30 June 2024. This report provides an overview of the Group's performance, strategic achievements, in what has been a challenging year, and future outlook.

FY24 brought considerable external pressures on consumer spending, in our sector and beyond, domestically and globally, which directly impacted our financial results. Despite these headwinds, and these are reasons, not excuses, I am proud to say that your Company has shown remarkable resilience, remaining focused on delivering our commitments and pursuing growth opportunities.

The Group's trusted products consistently deliver outstanding outcomes for our customers. The case studies highlighted in the FY24 results announcement showcase diverse and highly valued user experiences, demonstrating how reliable is our technology. From enhancing travel experiences to ensuring dependable performance in extreme conditions, or boosting communication and connectivity in remote areas, our products have proven their value for recreational, safety and emergency response scenarios. They can literally be life-saving.

The full Directors' Report contains more extensive information on the Group's performance in the financial year, but I would like to present the following highlights.

## Financial Performance

The Group's FY24 financial performance reflected the tough market conditions we faced throughout the year. Group 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, 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 one-off ZOLEO arbitration costs, dropped by 27% to \$3.1 million (FY23: \$4.3 million) and our Net loss after tax was \$1.8 million.

Despite the weaker FY24 results I am proud to highlight the Group's impressive multi-year growth trajectory. Over the past three years, we have achieved a Revenue Compound Annual Growth Rate (CAGR) of 21%, and our EBITDA CAGR, excluding one-off arbitration expenses, was at 18%.

Beam maintained a stable Gross Margin of 30.4% in FY24 (FY23: 30.8%), showcasing resilience amid cost pressures and the margin benefit of a higher quality revenue mix.

Total recurring revenues show robust growth, up 67% in FY24, driven by a 45% increase in ZOLEO royalty revenue to \$1 million and an 85% surge in other recurring revenue. Beam's annualised subscription revenue grew 44% to an annual level now exceeding \$3.2 million.



## Cash and Funding

The Group's cash holdings at 30 June 2024, were \$3.1 million. While this represents a decrease from \$5 million at 30 June 2023, occasioned in particular by arbitration costs, the Company's financial position remains robust and comfortably positioned to fund the remaining payments envisaged to conclude the ZOLEO arbitration process.

Beam achieved a positive free cash flow of \$0.8 million, after excluding approximately \$2.4 million in one-off ZOLEO arbitration-related payments. A key factor in this achievement was Beam's continued capex spend focus, resulting in four consecutive quarters of lower capital expenditure through improved efficiency and effectiveness.

Notably, our Operating cash flows amounted to \$1.3 million, bolstered by strong cash receipts of \$36.5 million. This performance underscores our strong financial health and our commitment to advancing our strategic objectives while effectively managing our obligations.

The Company remains debt free, although it has access to facilities in need.

## Outlooks and Projects

We are committed to growing the business and creating long-term value for our shareholders.

The Group expects strong performance from our core Beam branded docks and accessories, positioning us for continued success. We have ongoing committed orders from Iridium into FY25 for Go Exec and Go! to enhance our market presence. Beam is anticipating continued growth in recurring revenues, driven by the increasing contribution from ZOLEO royalty revenue, while a continuing change in revenue mix is also expected in FY25. The outlook underscores our strategic focus on expanding high-margin revenue streams and reinforces long-term growth potential. Growth in recurring revenue will be more than offset by the reduction in lower-margin hardware revenue, leading to an overall decrease in total revenue.

Beam remains focused on driving EBITDA growth through higher-margin recurring revenue and strict cost control, ensuring strong profitability, even despite lower total revenue. The Company is committed to CAPEX efficiency and optimising investments to sustain long-term growth and financial stability. With effective cost management and prudent CAPEX allocation, Beam projects positive Free Cash Flow in FY25, supporting a healthy financial position and offering optionality as to priorities and activity.



# Arbitration

I want to address a significant ongoing matter that has required considerable attention and effort from our leadership team — the ZOLEO arbitration. This process has required and received exceptional dedication from our CEO, CFO, and CTO all while managing the business. As a non-executive director ZOLEO Inc, I say this having had direct visibility on these matters.

The arbitration can potentially deliver a value-accretive decision for Beam, whether Beam emerges as the sole owner of the ZOLEO entity, or divests and crystallises value from its holding, which is presently negligibly reflected on our balance sheet. We are optimistic that the resolution of this matter will not only clarify the future ownership of ZOLEO but also position us favorably for future growth.

A major shift in momentum and focus is expected following the ZOLEO arbitration outcome. I share investors' frustration that this process has been both necessary and prolonged, but am very enthused about the value-enhancing opportunities expected to be available to your company, in the near future.



SOURCE: ZOLEO AMBASSADOR OUTBACK MIKE

## 20+ YEARS of

- Experience
- Expertise
- Excellence



## Enhanced Governance and Guidance

In January 2024, we were pleased to welcome Mr Peter Kopanidis as an Independent Non-Executive Director of Beam. Mr Kopanidis is also a Director at Petra Investor Relations & Debt Advisory, a service provider to ASX-listed companies. He is a highly credentialed and experienced finance executive with a proven track record in Corporate Treasury, Investor Relations and Corporate Finance - including M&A. With more than 30 years of extensive experience, the Board and I are confident that Mr Kopanidis will bring significant value to the Company. Indeed, he already has.

Finally, I want to express my gratitude to everyone who supported the Group throughout this uncertain period. Your feedback and engagement is vital and valued. My thanks and appreciation go out to Beam's Board, Senior Management, and all our dedicated staff who remained focused and productive despite the commercial ambiguity we faced.

I also want to acknowledge our customers and shareholders for their unwavering trust in our products and belief in the future of the Company. Your support motivates us to continue striving and remain dedicated to delivering on our commitments.



# Directors' Report



**Simon Lister Wallace**

*Chairman*

Age: 50

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.

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 year ended 30 June 2024.

## Directors

The following persons were directors of Beam Communications Holdings Limited during the whole of the financial 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 Mark Allan Chartres (Non-Executive Director)

Mr Peter Kopanidis (Non-Executive Director, appointed 15 January 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:



## Michael Ian Capocchi

*Managing Director*

Age: 53

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.



## Mark Allan Chartres

*Non-Executive Director*

Age: 45

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 materially augments the Board's skills matrix.



## Peter Kopanidis

*Non-Executive Director*

Age: 57

Peter Kopanidis is a seasoned finance professional with over three decades of experience and has a proven track record in Corporate Treasury, Investor Relations and Corporate Finance – including M&A.

With a diverse industry background encompassing roles with some of Australia's leading brands in Telecommunications, Manufacturing, Healthcare, Insurance, Financial Services, and FMCG, Peter brings a wealth of commercial and financial acumen to Beam. Peter's extensive experience positions him well to contribute strategic guidance, especially around capital allocation and enhancing the overall functionality and output of the Board.

Peter Kopanidis is currently a Director at Petra Investor Relations & Debt Advisory, a service provider to ASX-listed companies. Previously, he served as Senior Executive – Corporate Finance at Medibank, overseeing IR and Treasury & Investments. For Peter's three-year tenure at Telstra, he was Executive Director – Investor Relations and was Treasurer for a twelve-month period. Peter also spent three years at Treasury Wine Estates as Global Director – Corporate Finance and held a four-year position as Group Treasurer at Foster's Group.

Peter Kopanidis is a Chartered Accountant and holds a Bachelor of Business - Accounting. Peter started his career as an Auditor at KPMG.

## 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 the year were the development and marketing of a range of communication products and services, mainly satellite based.

## Dividends

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

## Review of Operations

The loss for the Group after providing for income tax amounted to \$1,786,000 (30 June 2023: profit of \$2,075,000).

A summary of the result for the year is as follows:

|   | 2024<br>(\$'000) | 2023<br>(\$'000) |
|---|------------------|------------------|
| Revenue   | 32,752           | 39,552           |
| Other income (excl. interest)   | 442              | 529              |
| Deduct:   |                  |                  |
| Cost of goods sold, research & development, administrative marketing and corporate expenses administrative marketing and corporate expenses | (33,085)         | (35,873)         |
| <b>Operating profit before amortisation, depreciation, interest and tax</b>   | <b>109</b>       | <b>4,208</b>     |
| Deduct:   |                  |                  |
| Amortisation and impairment   | (2,425)          | (1,987)          |
| Depreciation  | (236)            | (200)            |
| Interest  | (22)             | (96)             |
| <b>Operating profit</b>   | <b>(2,574)</b>   | <b>1,925</b>     |
| Income Tax Benefit  | 788              | 150              |
| <b>Net (loss)/profit for year</b>   | <b>(1,786)</b>   | <b>2,075</b>     |
| <b>Total comprehensive (loss)/income for year</b>   | <b>(1,786)</b>   | <b>2,075</b>     |

# Profit and Performance

The Group's proven products continue to deliver remarkable outcomes for customers.

Group operating revenue decreased 17% in FY24 to \$32.8 million due to overall softer performance, exacerbated by the timing of hardware sales, including for Iridium GO! exec®.

Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding one-off Zoleo arbitration costs also fell by 27% to \$3.1 million (FY23: \$4.3 million). Net loss after tax was \$1.8 million.

The Group has delivered an impressive multi-year growth in performance. The Group's 3-year Revenue CAGR is 21% and the EBITDA CAGR for the same period (excluding one-off arbitration expenses to support the ZOLEO arbitration process) is 18%.

The higher quality revenue mix, influenced by the strategic focus favouring higher margin recurring revenue away from lower margin hardware revenue and disciplined cost control helped to mitigate some of the earnings impacts from the decline in total revenue.

Despite the revenue decline Beam's Gross Margin held steady at 30.4% in FY24 (FY23: 30.8%), demonstrating resilience in the face of cost pressures and the higher quality revenue mix.

Most of Beam's key businesses experienced revenue declines due to softer performance exacerbated by the timing of hardware sales, with FY23 reflecting the benefit of the initial shipment for Iridium GO exec® in late 2022.

The continuing strong growth in recurring revenues is offset by lower hardware sales excluding Zoleo. Total recurring revenue has increased by 67% in FY24. Growth in recurring revenue is driven by the increased contribution from ZOLEO royalty revenue of \$1 million, which was up by 45% and other recurring revenue has increased by 85%.

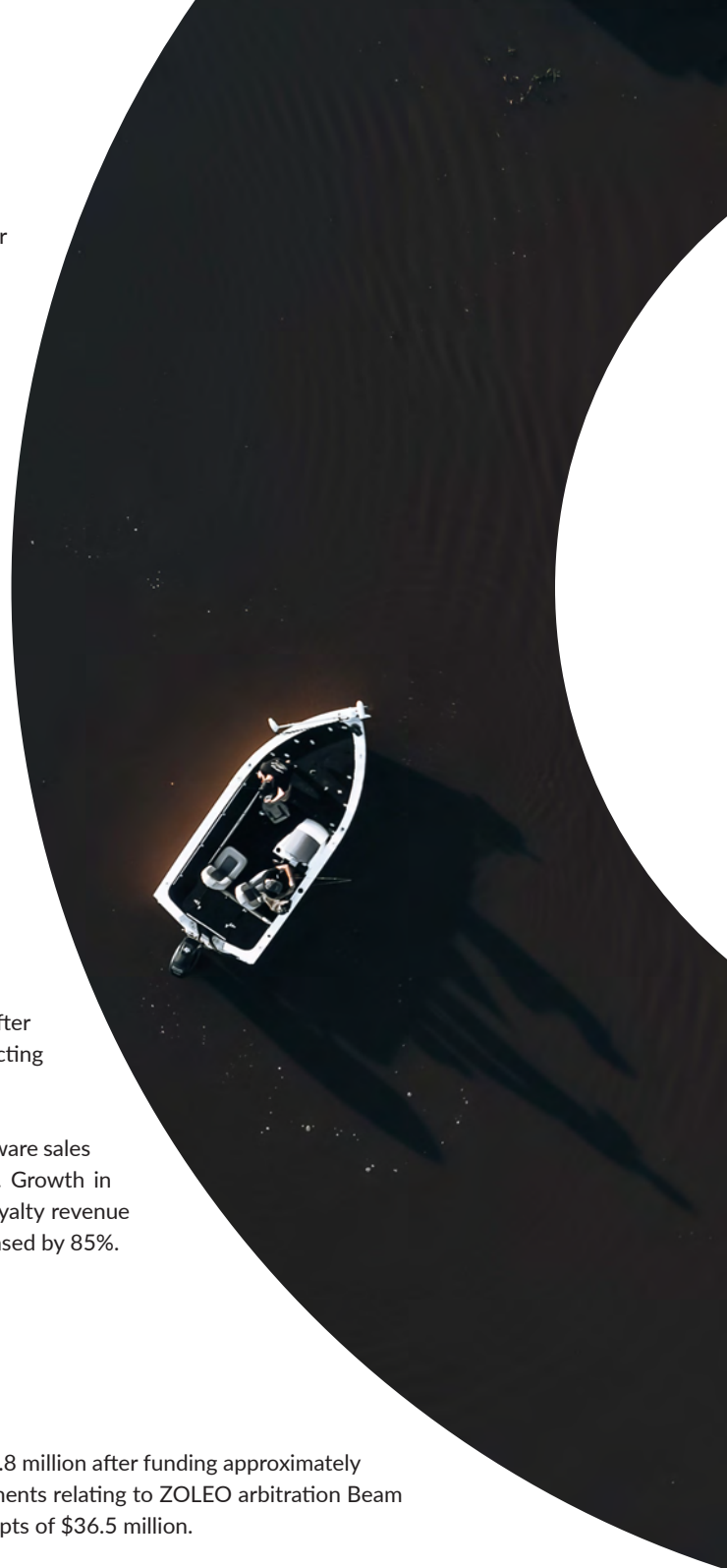
## Cash and Funding

Beam reported positive free cash flow (operating and investing cash) of \$0.8 million after funding approximately \$2.4 million of payments related to ZOLEO arbitration. Including the payments relating to ZOLEO arbitration Beam generated Operating cash flows of \$1.3 million following strong cash receipts of \$36.5 million.

A contributing factor in achieving positive free cash flow in FY24 was the continued reduction in Beam's capex spend. With a heightened focus on the efficiency and effectiveness of the capex program, the Company has delivered 4 consecutive quarters of capex reductions.

The Group's cash holdings at 30 June 2024 were \$3.1 million, reflecting a decrease from \$5 million at 30 June 2023. Despite the change in cash position, the Company is well funded to continue its targeted capital investment and product development program, as well as fund residual payments for the ZOLEO arbitration process.

The Company remains debt free.



## Outlook and Projects

Beam is poised for continued success, with strong performance anticipated in core Beam branded docks and accessories. The Company secured orders from Iridium for Go Exec and Go! products in FY25, further boosting market presence. Additionally, the Company forecasts continued growth in recurring revenues, reinforcing its strategic position and commitment to shareholders.

A significant transformation following the Zoleo arbitration outcome is anticipated, where Beam will either take full control of Zoleo Inc. or crystallise value from its 50% JV ownership.

Beam anticipates a continuing shift in its revenue mix, driven by strategic decisions aimed at enhancing the overall quality of earnings. It is expected to see a growth in high-quality, higher-margin recurring revenue streams, offset by a continued decline in lower-margin hardware revenue. For FY25, Total revenue is expected to decline largely due to the lower hardware sales.

The Company remains committed to driving EBITDA growth through the increased contribution of higher-margin recurring revenue and continued cost control. This disciplined approach ensures that even with a reduction in total revenue, profitability remains robust.

The Company's focus on capital expenditure (CAPEX) efficiency continues to be rigorous. Reflecting an ongoing commitment to optimising capital investments to support long-term growth without compromising financial stability.

Beam expects to see positive Free Cash Flow in FY25, underpinned by the quality of revenue streams, effective cost management, and prudent CAPEX allocation. This strong cash flow performance will enable the Company to maintain a healthy financial position.

## Zoleo Arbitration

During the period Beam announced it was commencing formal proceedings by way of arbitration with its Zoleo Inc. JV Partner, Roadpost Inc. The Canadian arbitration will facilitate the resolution of the parties' matters of dispute and we expect, the ownership of the JV.

The Company regards as objectively compelling its claim that Roadpost has, through its acts, conduct and omissions, details of which would be unwise to reveal in this document, breached various and essential terms of the Joint Venture Agreement between the parties, thereby availing Beam of certain rights and remedies. Beam's obligations to its shareholders demands that these rights be prosecuted against Roadpost and Beam has entered the arbitration process willingly and confidently.

In Canada on 29 April 2024 there was an Arbitration Court hearing lasting 2 weeks between Beam and Roadpost. In early June 2024 written final submissions were provided.

Following a ruling by the Arbitrator, which is expected shortly, the future ownership of ZOLEO is expected to be resolved.

The Arbitration has the potential to provide a value accretive decision for Beam.



SOURCE: CHRIS BURNS



# Material business risks to strategy and financial performance

Beam has identified a number of material risks that may affect the success of the business over the coming periods, including some that are not directly within its control. The Company's risk management approach involves the ongoing assessment, monitoring and reporting of risks that could impede its progress in delivering its strategic priorities. The key risks are outlined below (not ranked in any order), although it is important to note that as Beam's business continues to grow and evolve, these risks and the Company's risk profile may change.

## FOREIGN EXCHANGE RISK

Beam's equipment and services are sold around the world and most of its revenue is derived in US dollars. This exposes the Company to fluctuations in exchange rates, which are driven by market forces outside its control. A change in the exchange rate to the Australian dollar may have a positive or negative effect on the business.

## PARTNERSHIP RISKS

Beam has established partnerships with most of the world's largest satellite operators, particularly Iridium Communications. A breakdown of such partnerships is likely to impede on the Company's ability to offer hardware and services to Beam's clients and such an outcome may have a material and negative impact on its financial performance.

## TECHNOLOGICAL CHANGES AND COMPETITION

The industry that Beam operates in is subject to constant technological change. These changes often bring new opportunities and competitive threats. To ensure the continual growth and profitability of the business, Beam must constantly be vigilant of these changes and invest in improving its existing offering and developing new innovations.

## CHANNEL PARTNER SUPPORT

As Beam's products and services are sold in Australia and globally, it relies on its network of channel partners. Beam's ability to acquire and retain these partners will have a material impact on the continued growth in revenue and profitability of the Company. Beam protects its channel network by ensuring these partners can make a reasonable margin and carefully manages sales of its products and services on third-party online marketplaces.

## ACCESS TO CAPITAL AND DEBT

Beam's ability to fund future growth and profitability may be affected by its ability to access funding from equity investors, credit markets and other financial institutions. This access is dependent on several factors, such as the Company's financial performance, but may also include factors that are outside its control, such as general economic and market conditions. There is a risk that the Company may be unable to access debt or equity funding when required on favourable terms, or at all.

## REGULATORY AND COMPLIANCE RISKS

The telecom and satcom industries are highly regulated in each country. These rules and regulations allowing access to services may change with little warning and can have a positive or negative impact on Beam's financial performance. Further, Beam has to ensure it receives the necessary approvals and meet required industry standards in all countries before it can sell its hardware in those markets.

## CYBER SECURITY RISKS

Beam's IT systems contain sensitive information on its products and technology, along with customer and third-party information. While Beam exercises due care in protecting its data, it is possible that these measures will not be enough to prevent unauthorised access to its systems and technologies. Such a breach may expose the Company to financial loss, reputational damage and legal consequences, including claims for compensation by customers or penalties by telecommunications regulators or other authorities.

## Directors and Investors

There were no changes in the issued capital of the Group during the year.

Mr Simon Wallace, a shareholder in the Group, has been a Director for nine years and is currently the Non-Executive Chairman of the Board. Simon has lengthy and detailed expertise in legal and commercial matters and leads the Board and the Group in fund raising activities, strategic and corporate governance advice.

Mr Michael Capocchi is an Executive Director and holds the positions of Managing Director and Chief Executive Officer for all companies in the Group. His base in the USA enables him to easily visit the Middle East and UK/Europe, where many core clients are based, as well as domestically within the US. Michael travels frequently to Australia and retains direct and daily contact with management. Michael is also a significant shareholder in the Group.

Mr Mark Chartres has been a Director since early 2022 and he has spent nearly two decades professionally engaged in financial markets, including with Macquarie Group and Shaw and Partners (presently). He is very familiar with the Group's operations, aspirations and investment profile, and has in the past assisted in furthering the Group's funding requirements as well as providing counsel on key investor expectations and priorities.

Mr Peter Kopanidis, a shareholder in the Group, joined the Board during the year and has provided valuable financial acumen and investor relations and funding insights to the Board. Additionally, he is very familiar with statutory reporting and governance obligations in the ASX listed environment and accordingly is Chair of the Audit Committee.

The Directors believe the Group is well placed to continue to deliver strong result in FY25 due to the Group's strong balance sheet and many growth options, including the continued success of the existing products, ongoing geographical expansion of ZOLEO, and the strong build in ZOLEO royalty payments.

## 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.

## Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 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.

## Likely developments and expected results of operations

The company will continue the development and marketing of a range of communications devices, mainly satellite based.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.



## Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Meetings of Directors

The number of meetings of the Group's Board of Directors ('The Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

|             | Directors Meetings |                    | Committees |                    |
|-------------|--------------------|--------------------|------------|--------------------|
|             | Attended           | Maximum Attendable | Attended   | Maximum Attendable |
| M Capocchi  | 15                 | 16                 | -          | -                  |
| S Wallace   | 16                 | 16                 | 2          | 2                  |
| M Chartres  | 15                 | 16                 | 1          | 1                  |
| P Kopanidis | 6                  | 6                  | 1          | 1                  |

Maximum Attendable: represents the number of meetings held during the time the director held office.





# Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation

## Principles used to determine the nature and amount of remuneration

This report details the nature and amount of remuneration for each Director and KMP of Beam Communications Holdings Limited.

## Remuneration Policy

The Group is committed to remunerating its Executive Directors and senior executives in a manner that is market-competitive, consistent with best practice and which supports the interests of shareholders. The Group aims to align the interests of Executive Directors and senior executives with those of shareholders by remunerating through performance and long-term incentive plans in addition to fixed remuneration.

The remuneration of Non-executive Directors is determined by the Board having regard to the level of fees paid to non-executive directors by other companies of similar size and stature and in aggregate must not exceed the maximum annual amount approved by the Group's shareholders, currently \$500,000, as determined at the General Meeting held on 3 August 2007.

Senior executives' remuneration consists of the following elements:

- fixed salary;
- short-term incentive bonus where applicable based on performance
- long-term incentive share option scheme; and
- other benefits including superannuation.

## Fixed Salary

The salary of senior executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the following:

- The scope of the individual's role;
- The individual's level of skill and experience;
- Legal and industrial obligations;
- Labour market conditions; and
- The complexity of the Company's business.

The purpose of a performance bonus is to reward an individual's actual achievement of performance objectives and for materially improved Group performance. Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for the Group is demonstrated and the individual attains and excels against pre-agreed key performance indicators during a performance cycle.

In assessing the relative performance of the senior executives and the Group as a whole measured against the primary objective of enhancing shareholder value over time, the Board has regard to key financial indicators. In accordance with Section 300A of the Corporations Act 2001 the following table summarises the Group's performance over the last 5 years.

|  | 2024    | 2023  | 2022   | 2021  | 2020    |
|--|---------|-------|--------|-------|---------|
| Net profit/(loss) before tax (\$'000)  | (2,574) | 1,925 | 121    | 780   | (1,518) |
| EBITDA (\$'000)                        | 109     | 4,208 | 1,409  | 1,929 | 3,052   |
| Basic earnings per share (cents)       | (2.07)  | 2.40  | (0.22) | 0.76  | (0.31)  |
| Share price at 30 June (\$)            | 0.15    | 0.18  | 0.20   | 0.24  | 0.17    |
| Market Capitalisation at 30 June (\$m) | 12.53   | 15.60 | 17.28  | 17.64 | 8.99    |
| Dividends per share                    | Nil     | Nil   | Nil    | Nil   | Nil     |

The Board believes the above table goes some way to illustrate the positive direction the Group has taken over the past 5 years and is reflective of much, but not all, of the performance of senior executives during that period. Due to the nature of the Groups business, there are often major influences on a particular financial year's profit result.

Confidence in the strategy and long-term growth agenda was clearly demonstrated in FY24 by the Group's EBITDA excluding one-off arbitration costs and the continuous success of our product penetration into the personal communications device (PCD) market, especially ZOLEO.

## Long-term Incentives

The Group's Share Options Incentive Plan, in which Directors and senior executives may participate, was approved by shareholders on 27 October 2017 and authorises the Directors to issue options in respect of up to 10% of the shares on issue at a given time.

The Group ensures that the payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

As noted in this report, options were issued to a Director during the 2024 financial year, reflecting sign on obligations.

## Other Benefits

Senior executives are entitled to statutory superannuation and other bonus payments subject to the discretion of the Managing Director and the Board.

# Employment Contracts

| KMP         | Notice   | Termination Payment | Non-Compete          | Term                          |
|-------------|--|---------------------|----------------------|-------------------------------|
| S Wallace   | None   | None                | None post-employment | No fixed term                 |
| M Capocchi  | 9 months<br>(after minimum term<br>of 27 months) | Notice paid in leu  | None post-employment | 36 months<br>from 1 July 2022 |
| M Chartres  | None   | None                | None post-employment | No fixed term                 |
| P Kopanidis | None   | None                | None post-employment | No fixed term                 |
| W Christie  | 1 month  | Notice paid in leu  | 12 months            | No fixed term                 |
| D Sleigh    | 3 months   | Notice paid in leu  | None post-employment | No fixed term                 |

## Details of Remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables on the next page.

The key management personnel of the Group consisted of the following Directors of Beam Communications Holdings Limited:

- Mr S Wallace - Non-Executive Chairman
- Mr M Capocchi - Executive Managing Director
- Mr M Chartres - Non-Executive Director
- Mr P Kopanidis - Non-Executive Director

And the following persons:

- Mr W Christie - Chief Technical Officer
- Mr D Sleigh - Chief Financial Officer

The remuneration for each director and each of the other key management personnel of the Group receiving the highest remuneration during the year was as follows:

|                                 | Short-term benefits  |                           |                               | Post-employment benefits | Long-term benefits        | Share-based payments |           |
|---------------------------------|----------------------|---------------------------|-------------------------------|--------------------------|---------------------------|----------------------|-----------|
|                                 | Cash salary and fees | Cash bonus and commission | Employee benefits payable (b) | Superannuation           | Employee benefits payable | Options (a)          | Total     |
| 30 June 2024                    | \$                   | \$                        | \$                            | \$                       | \$                        | \$                   | \$        |
| Non-Executive Directors:        |                      |                           |                               |                          |                           |                      |           |
| Mr S Wallace                    | 70,908               | -                         | -                             | 7,977                    | -                         | -                    | 78,885    |
| Mr M Chartres                   | 29,167               | -                         | -                             | -                        | -                         | 21,595               | 50,762    |
| Mr P Kopanidis                  | 22,522               | -                         | -                             | 2,477                    | -                         | 1,187                | 26,186    |
| Executive Directors:            |                      |                           |                               |                          |                           |                      |           |
| Mr M Capocchi (c,d)             | 534,109              | 40,000                    | (16,926)                      | 64,531                   | 10,023                    | 44,653               | 676,390   |
| Other Key Management Personnel: |                      |                           |                               |                          |                           |                      |           |
| Mr W Christie                   | 253,112              | 20,000                    | 13,416                        | 29,930                   | 8,466                     | -                    | 324,924   |
| Mr D Sleigh                     | 250,000              | 20,000                    | 11,179                        | 30,299                   | 1,528                     | 30,633               | 343,639   |
|                                 | 1,159,818            | 80,000                    | 7,669                         | 135,214                  | 20,017                    | 98,068               | 1,500,786 |

|                                 | Short-term benefits  |                           |                               | Post-employment benefits | Long-term benefits        | Share-based payments |           |
|---------------------------------|----------------------|---------------------------|-------------------------------|--------------------------|---------------------------|----------------------|-----------|
|                                 | Cash salary and fees | Cash bonus and commission | Employee benefits payable (b) | Superannuation           | Employee benefits payable | Options (a)          | Total     |
| 30 June 2023                    | \$                   | \$                        | \$                            | \$                       | \$                        | \$                   | \$        |
| Non-Executive Directors:        |                      |                           |                               |                          |                           |                      |           |
| Mr S Wallace                    | 70,909               | -                         | -                             | 7,445                    | -                         | -                    | 78,354    |
| Mr M Chartres                   | 20,833               | -                         | -                             | -                        | -                         | 35,412               | 56,245    |
| Mr D Stewart                    | 21,666               | -                         | -                             | -                        | -                         | -                    | 21,666    |
| Executive Directors:            |                      |                           |                               |                          |                           |                      |           |
| Mr M Capocchi (c)               | 361,236              | 266,407                   | 21,635                        | 50,894                   | 13,255                    | 44,531               | 757,958   |
| Other Key Management Personnel: |                      |                           |                               |                          |                           |                      |           |
| Mr W Christie                   | 243,378              | -                         | (2,214)                       | 25,292                   | 9,498                     | -                    | 275,954   |
| Mr D Sleigh                     | 209,999              | 40,000                    | 6,478                         | 22,050                   | 873                       | 30,549               | 309,949   |
|                                 | 928,021              | 306,407                   | 25,899                        | 105,681                  | 23,626                    | 110,492              | 1,500,126 |

(a) Option based compensation relates to the value of options issued to date and brought to account pro-rata to the time period from the date of granting to the date of vesting, except where Accounting Standard AASB 2 required expensing to begin from the commencement of service related to those options, notwithstanding that the issue of those options, in the case of Directors was subject to shareholder approval, and in the case of key management employees, subject to performance review.

(b) Employee benefits payable represents net increase in benefits payable charged to the consolidated statement of profit or loss and other comprehensive income in the current year.

(c) The majority of Mr Capocchi's remuneration is in US dollars. For 2024 his remuneration has been converted into AU dollars monthly and the rate average for the year was 0.6573. (2023: 0.6630)

(d) The board sets the CEO's annual key performance indicators, to be achieved for the CEO to become eligible for any remuneration beyond his base salary. As 2 of those 5 KPIs were achieved in FY24, Mr Capocchi was not entitled to receive a long-term incentive for this financial year and only 40% of the short-term bonus he may otherwise have earned, had all KPIs been met.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name:                           | Fixed remuneration |              | At risk - STI |              | At risk - LTI |              |
|---------------------------------|--------------------|--------------|---------------|--------------|---------------|--------------|
|                                 | 30 June 2024       | 30 June 2023 | 30 June 2024  | 30 June 2023 | 30 June 2024  | 30 June 2023 |
| Non-Executive Directors:        |                    |              |               |              |               |              |
| Mr S Wallace                    | 100%               | 100%         | -             | -            | -             | -            |
| Mr M Chartres                   | 57%                | 37%          | -             | -            | 43%           | 63%          |
| Mr P Kopanidis                  | 95%                | -            | -             | -            | 5%            | -            |
| Executive Directors:            |                    |              |               |              |               |              |
| Mr M Capocchi                   | 87%                | 59%          | 6%            | 35%          | 7%            | 6%           |
| Other Key Management Personnel: |                    |              |               |              |               |              |
| Mr W Christie                   | 94%                | 100%         | 6%            | -            | -             | -            |
| Mr D Sleigh                     | 85%                | 77%          | 6%            | 13%          | 9%            | 10%          |

## Share-based Compensation

### Share holdings

The number of shares in the Company held during the financial year by each key management person including their personally related parties are set out below:

| 2024               | Balance<br>1 July 2023 | Received as<br>remuneration | Options<br>exercised | Placement<br>issue | Ceasing to be<br>a KMP | Net change<br>other (a) | Balance<br>30 June 2024 |
|--------------------|------------------------|-----------------------------|----------------------|--------------------|------------------------|-------------------------|-------------------------|
| <b>Directors:</b>  |                        |                             |                      |                    |                        |                         |                         |
| Mr S Wallace       | 200,000                | -                           | -                    | -                  | -                      | 150,000                 | 350,000                 |
| Mr M Capocchi      | 3,124,320              | -                           | -                    | -                  | -                      | -                       | 3,124,320               |
| Mr M Chartres      | -                      | -                           | -                    | -                  | -                      | -                       | -                       |
| Mr P Kopanidis (c) | -                      | -                           | -                    | -                  | -                      | 55,500                  | 55,500                  |
| <b>Other:</b>      |                        |                             |                      |                    |                        |                         |                         |
| Mr W Christie      | 62,778                 | -                           | -                    | -                  | -                      | -                       | 62,778                  |
| Mr D Sleigh        | 18,182                 | -                           | -                    | -                  | -                      | -                       | 18,182                  |
|                    | 3,405,280              | -                           | -                    | -                  | -                      | 205,500                 | 3,610,780               |
| <hr/>              |                        |                             |                      |                    |                        |                         |                         |
| 2023               | Balance<br>1 July 2022 | Received as<br>remuneration | Options<br>exercised | Placement<br>issue | Ceasing to be<br>a KMP | Net change<br>other (a) | Balance<br>30 June 2022 |
| <b>Directors:</b>  |                        |                             |                      |                    |                        |                         |                         |
| Mr S Wallace       | 200,000                | -                           | -                    | -                  | -                      | -                       | 200,000                 |
| Mr M Capocchi      | 2,832,099              | -                           | -                    | -                  | -                      | 292,221                 | 3,124,320               |
| Mr D Stewart (b)   | 10,905,000             | -                           | -                    | -                  | (10,905,000)           | -                       | -                       |
| Mr M Chartres      | -                      | -                           | -                    | -                  | -                      | -                       | -                       |
|                    | -                      | -                           | -                    | -                  | -                      | -                       | -                       |
| <b>Other:</b>      |                        |                             |                      |                    |                        |                         |                         |
| Mr W Christie      | 62,778                 | -                           | -                    | -                  | -                      | -                       | 62,778                  |
| Mr D Sleigh        | 18,182                 | -                           | -                    | -                  | -                      | -                       | 18,182                  |
|                    | 14,018,059             | -                           | -                    | -                  | (10,905,000)           | 292,221                 | 3,405,280               |

(a) Net change other refers to shares purchased or sold on-market or off-market at current market prices during the financial year.

(b) David Stewart resigned as a director on 30 September 2022.

(c) Peter Kopanidis was appointed as a Director on 15 January 2024. Upon appointment Mr Kopanidis held no shares in the Group.

## Options

The number of options over ordinary shares in the Company held during the financial year by each key management person including their personally related parties is set out below:

| 2024              | Balance<br>1 July 2023 | Granted as<br>remuneration | Issued as equity<br>investment | Options<br>exercised | Options<br>lapsed | Balance<br>30 June 2024 |
|-------------------|------------------------|----------------------------|--------------------------------|----------------------|-------------------|-------------------------|
| <b>Directors:</b> |                        |                            |                                |                      |                   |                         |
| Mr S Wallace      | -                      | -                          | -                              | -                    | -                 | -                       |
| Mr M Capocchi     | 530,798                | -                          | -                              | -                    | -                 | 530,798                 |
| Mr M Chartres     | 1,300,000              | -                          | -                              | -                    | -                 | 1,300,000               |
| Mr P Kopanidis    | -                      | 178,000                    | -                              | -                    | -                 | 178,000                 |
| <b>Other:</b>     |                        |                            |                                |                      |                   |                         |
| Mr W Christie     | -                      | -                          | -                              | -                    | -                 | -                       |
| Mr D Sleigh       | 404,546                | -                          | -                              | -                    | (4,546)           | 400,000                 |
|                   | 2,235,344              | 178,000                    | -                              | -                    | (4,546)           | 2,408,798               |

| 2023              | Balance<br>1 July 2022 | Granted as<br>remuneration | Issued as equity<br>investment | Options<br>exercised | Options<br>lapsed | Balance<br>30 June 2023 |
|-------------------|------------------------|----------------------------|--------------------------------|----------------------|-------------------|-------------------------|
| <b>Directors:</b> |                        |                            |                                |                      |                   |                         |
| Mr S Wallace      | -                      | -                          | -                              | -                    | -                 | -                       |
| Mr M Capocchi     | 530,798                | -                          | -                              | -                    | -                 | 530,798                 |
| Mr D Stewart      | -                      | -                          | -                              | -                    | -                 | -                       |
| Mr M Chartres     | 200,000                | 1,100,000                  | -                              | -                    | -                 | 1,300,000               |
| <b>Other:</b>     |                        |                            |                                |                      |                   |                         |
| Mr W Christie     | -                      | -                          | -                              | -                    | -                 | -                       |
| Mr D Sleigh       | 404,546                | -                          | -                              | -                    | -                 | 404,546                 |
|                   | 1,135,344              | 1,100,000                  | -                              | -                    | -                 | 2,235,344               |

All options held by Directors and key management personnel at 30 June 2024 were currently un-exercisable as at balance date, aside from the following:

| Holder        | Grant date      | Vesting date    | Expiry date     | Number    | Exercise Price |
|---------------|-----------------|-----------------|-----------------|-----------|----------------|
| Mr M Chartres | 1 February 2022 | 1 February 2023 | 1 February 2025 | 200,000   | 0.53           |
| Mr M Chartres | 2 December 2022 | 2 December 2023 | 2 December 2024 | 1,100,000 | 0.30           |

## Shares issued on exercise of remuneration options

No shares were issued on exercise of remuneration options during the current period.

# Voting and comments made at the Company's 2023 Annual General Meeting (AGM)

At the Company's most recent AGM, held on 30 November 2023, a resolution to adopt the prior year (2023) remuneration report was put to the vote and at least 75% of the 'yes' votes were cast for the adoption of that report. No comments were made on the remuneration report at the AGM.

## Options Issued

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the years ended 30 June 2024 and 30 June 2023 are set out below:

| 2024              |            |              |                           |                             |                            |                               |                            |
|-------------------|------------|--------------|---------------------------|-----------------------------|----------------------------|-------------------------------|----------------------------|
| Name              | Grant date | Vesting date | Number of options granted | Value of options granted \$ | Value of options vested \$ | Value of options exercised \$ | Value of options lapsed \$ |
| <b>Directors:</b> |            |              |                           |                             |                            |                               |                            |
| Mr S Wallace      | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr M Capocchi     | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr M Chartres     | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr P Kopanidis    | 09/02/2024 | 09/02/2025   | 178,000                   | 6,113                       | -                          | -                             | -                          |
| <b>Other:</b>     |            |              |                           |                             |                            |                               |                            |
| Mr W Christie     | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr D Sleigh       | -          | -            | -                         | -                           | -                          | -                             | -                          |

| 2023              |            |              |                           |                             |                            |                               |                            |
|-------------------|------------|--------------|---------------------------|-----------------------------|----------------------------|-------------------------------|----------------------------|
| Name              | Grant date | Vesting date | Number of options granted | Value of options granted \$ | Value of options vested \$ | Value of options exercised \$ | Value of options lapsed \$ |
| <b>Directors:</b> |            |              |                           |                             |                            |                               |                            |
| Mr S Wallace      | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr M Capocchi     | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr D Stewart      | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr M Chartres     | 02/12/2022 | 02/12/2023   | 1,100,000                 | 50,853                      | -                          | -                             | -                          |
| <b>Other:</b>     |            |              |                           |                             |                            |                               |                            |
| Mr W Christie     | -          | -            | -                         | -                           | -                          | -                             | -                          |
| Mr D Sleigh       | -          | -            | -                         | -                           | -                          | -                             | -                          |

Details of options granted to and/or vested to key management personnel during the 2024 financial year are outlined below:

| 2024           |            |             |            |                               |                |                     |             |
|----------------|------------|-------------|------------|-------------------------------|----------------|---------------------|-------------|
| Name           | Vested No. | Granted No. | Grant date | Value of options granted date | Exercise price | First exercise date | Expiry date |
| Directors:     |            |             |            |                               |                |                     |             |
| Mr S Wallace   | -          | -           | -          | -                             | -              | -                   | -           |
| Mr M Capocchi  | -          | -           | -          | -                             | -              | -                   | -           |
| Mr M Chartres  | -          | -           | -          | -                             | -              | -                   | -           |
| Mr P Kopanidis | -          | 178,000     | 09/02/2024 | 0.034                         | 0.30           | 09/02/2025          | 09/02/2026  |
|                |            | 178,000     |            |                               |                |                     |             |
| Others:        |            |             |            |                               |                |                     |             |
| Mr W Christie  | -          | -           | -          | -                             | -              | -                   | -           |
| Mr D Sleigh    | -          | -           | -          | -                             | -              | -                   | -           |
|                | -          | -           |            |                               |                |                     |             |
|                | -          | 178,000     |            |                               |                |                     |             |

*This concludes the remuneration report, which has been audited.*



## Shares under option

Unissued ordinary shares of Beam Communications Holdings Limited under option at the date of this report are as follows:

| Grant date       | Expiry date      | Exercise price | Number under option   |
|------------------|------------------|----------------|-----------------------|
| 30 November 2021 | 31 August 2026   | \$0.35         | 530,798               |
| 23 December 2021 | 23 December 2026 | \$0.35         | 400,000               |
| 1 February 2022  | 1 February 2025  | \$0.53         | 200,000               |
| 2 December 2022  | 2 December 2024  | \$0.30         | 1,100,000             |
| 9 February 2024  | 9 February 2026  | \$0.30         | 178,000               |
|                  |                  |                | <hr/> 2,408,798 <hr/> |

## Shares issued on the exercise of options

No ordinary shares were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted.

## Indemnity and insurance of directors and officers

During the year, the Group has paid premiums in respect of an insurance contract to indemnify its Directors and officers against liabilities that may arise from their positions. Directors and officers indemnified include the Company Secretary, all directors and all executive officers participating in the management of the Group.

Further disclosure required under section 300(9) of the Corporations Act is prohibited under the terms of the insurance contract.

## Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

There were no non-audit services provided during the financial year by the auditor.

## 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.

# Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

## 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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Simon Wallace  
Chairman

29 August 2024





**RSM Australia Partners**

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Beam Communications Holdings Limited for the year ended 30 June 2024, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS**

**M PARAMESWARAN**  
Partner

Dated: 29 August 2024  
Melbourne, Victoria

## THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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**Beam Communications Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

|   |             | <b>Consolidated</b> |                     |
|---|-------------|---------------------|---------------------|
|   | <b>Note</b> | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   |             | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Revenue</b>  | 4           | 32,752              | 39,552              |
| Other income  | 5           | 444                 | 541                 |
| <b>Expenses</b>   | 6           |                     |                     |
| Cost of sales   |             | (22,232)            | (28,472)            |
| Employment expense  |             | (4,953)             | (4,661)             |
| Depreciation and amortisation expense   |             | (2,661)             | (2,187)             |
| Finance costs   |             | (24)                | (107)               |
| Administrative expense  |             | (495)               | (494)               |
| Arbitration cost  |             | (2,990)             | -                   |
| Legal, insurance and patent   |             | (200)               | (487)               |
| Marketing and ICT   |             | (925)               | (822)               |
| Other   |             | (1,290)             | (938)               |
| <b>(Loss)/profit before income tax benefit</b>  |             | (2,574)             | 1,925               |
| Income tax benefit  | 7           | 788                 | 150                 |
| <b>(Loss)/profit after income tax benefit for the year attributable to the owners of Beam Communications Holdings Limited</b> |             | (1,786)             | 2,075               |
| Other comprehensive income for the year, net of tax   |             | -                   | -                   |
| <b>Total comprehensive (loss)/income for the year attributable to the owners of Beam Communications Holdings Limited</b>      |             | <u>(1,786)</u>      | <u>2,075</u>        |
|   |             | <b>Cents</b>        | <b>Cents</b>        |
| Basic earnings per share  | 28          | (2.07)              | 2.40                |
| Diluted earnings per share  | 28          | (2.07)              | 2.40                |

*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 30 June 2024**

|                                       |             | <b>Consolidated</b> |                     |
|---------------------------------------|-------------|---------------------|---------------------|
|                                       | <b>Note</b> | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                       |             | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Assets</b>                         |             |                     |                     |
| <b>Current assets</b>                 |             |                     |                     |
| Cash and cash equivalents             | 8           | 3,107               | 4,951               |
| Trade and other receivables           | 9           | 4,953               | 5,321               |
| Inventories                           | 10          | 5,684               | 7,462               |
| Total current assets                  |             | <u>13,744</u>       | <u>17,734</u>       |
| <b>Non-current assets</b>             |             |                     |                     |
| Other receivables                     | 9           | 113                 | -                   |
| Plant and equipment                   | 13          | 92                  | 100                 |
| Right-of-use assets                   | 11          | 497                 | 96                  |
| Development costs                     | 14          | 9,397               | 8,915               |
| Deferred tax                          | 15          | 1,250               | 457                 |
| Total non-current assets              |             | <u>11,349</u>       | <u>9,568</u>        |
| <b>Total assets</b>                   |             | <u>25,093</u>       | <u>27,302</u>       |
| <b>Liabilities</b>                    |             |                     |                     |
| <b>Current liabilities</b>            |             |                     |                     |
| Trade and other payables              | 16          | 6,333               | 7,274               |
| Lease liabilities                     | 18          | 194                 | 103                 |
| Provisions                            | 19          | 1,480               | 1,425               |
| Total current liabilities             |             | <u>8,007</u>        | <u>8,802</u>        |
| <b>Non-current liabilities</b>        |             |                     |                     |
| Lease liabilities                     | 18          | 302                 | 27                  |
| Provisions                            | 19          | 52                  | 53                  |
| Total non-current liabilities         |             | <u>354</u>          | <u>80</u>           |
| <b>Total liabilities</b>              |             | <u>8,361</u>        | <u>8,882</u>        |
| <b>Net assets</b>                     |             | <u>16,732</u>       | <u>18,420</u>       |
| <b>Equity</b>                         |             |                     |                     |
| Issued capital                        | 20          | 17,375              | 17,375              |
| Reserves                              |             | 254                 | 188                 |
| (Accumulated losses)/retained profits |             | <u>(897)</u>        | <u>857</u>          |
| <b>Total equity</b>                   |             | <u>16,732</u>       | <u>18,420</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 year ended 30 June 2024**

|  | Issued<br>capital<br>\$'000 | Reserves<br>\$'000 | Accumulated<br>losses /<br>retained<br>earnings<br>\$'000 | Total equity<br>\$'000 |
|--|-----------------------------|--------------------|---|------------------------|
| <b>Consolidated</b>  |                             |                    |   |                        |
| Balance at 1 July 2022                                       | 17,375                      | 163                | (1,303)   | 16,235                 |
| Profit after income tax benefit for the year                 | -                           | -                  | 2,075   | 2,075                  |
| Other comprehensive income for the year, net of tax          | -                           | -                  | -   | -                      |
| Total comprehensive income for the year                      | -                           | -                  | 2,075   | 2,075                  |
| <i>Transactions with owners in their capacity as owners:</i> |                             |                    |   |                        |
| Share-based payments (note 25)                               | -                           | 110                | -   | 110                    |
| Adjustment for broker options expired                        | -                           | (85)               | 85  | -                      |
| Balance at 30 June 2023                                      | 17,375                      | 188                | 857   | 18,420                 |
|  |                             |                    |   |                        |
|  | Issued<br>capital<br>\$'000 | Reserves<br>\$'000 | Retained<br>earnings /<br>accumulated<br>losses<br>\$'000 | Total equity<br>\$'000 |
| <b>Consolidated</b>  |                             |                    |   |                        |
| Balance at 1 July 2023                                       | 17,375                      | 188                | 857   | 18,420                 |
| Loss after income tax benefit for the year                   | -                           | -                  | (1,786)   | (1,786)                |
| Other comprehensive income for the year, net of tax          | -                           | -                  | -   | -                      |
| Total comprehensive loss for the year                        | -                           | -                  | (1,786)   | (1,786)                |
| <i>Transactions with owners in their capacity as owners:</i> |                             |                    |   |                        |
| Share-based payments (note 25)                               | -                           | 98                 | -   | 98                     |
| Adjustment for broker options expired                        | -                           | (32)               | 32  | -                      |
| Balance at 30 June 2024                                      | 17,375                      | 254                | (897)   | 16,732                 |

*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 year ended 30 June 2024**

|  |             | <b>Consolidated</b> |                     |
|--|-------------|---------------------|---------------------|
|  | <b>Note</b> | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  |             | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Cash flows from operating activities</b>                      |             |                     |                     |
| Receipts from customers (inclusive of GST)                       |             | 36,536              | 39,608              |
| Payments to suppliers and employees (inclusive of GST)           |             | (35,218)            | (37,198)            |
| Interest received  |             | 3                   | 12                  |
| Insurance proceeds received                                      |             | 12                  | -                   |
| Interest and finance charges paid                                |             | (24)                | (107)               |
| Income tax (expense) / benefit                                   |             | (5)                 | 10                  |
| Payroll tax refund   |             | -                   | 90                  |
| Net cash from operating activities                               | 23          | 1,304               | 2,415               |
| <b>Cash flows from investing activities</b>                      |             |                     |                     |
| Payments for property, plant and equipment                       | 13          | (37)                | (52)                |
| Payments for capitalised development costs                       |             | (2,890)             | (3,333)             |
| Proceeds from research and development grant                     |             | -                   | 884                 |
| Net cash used in investing activities                            |             | (2,927)             | (2,501)             |
| <b>Cash flows from financing activities</b>                      |             |                     |                     |
| Net loan payments  |             | -                   | (513)               |
| Lease liability repayments                                       |             | (221)               | (225)               |
| Net cash used in financing activities                            |             | (221)               | (738)               |
| Net decrease in cash and cash equivalents                        |             | (1,844)             | (824)               |
| Cash and cash equivalents at the beginning of the financial year |             | 4,951               | 5,775               |
| Cash and cash equivalents at the end of the financial year       | 8           | 3,107               | 4,951               |

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

**Note 1. Material accounting policy information**

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 and comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Accounting policies**

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(a) Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Beam Communications Holdings Limited) and all of the subsidiaries which are entities the parent controls. A list of the subsidiaries is provided in note 30.



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

**(b) Income tax**

Income tax expense (benefit) for the year comprises current income tax expense (credit) and deferred income tax expense (benefit).

A net deferred tax asset has been recognised in the current year reflecting the movements in deferred tax assets and liabilities for the period.

In relation to non-cash refundable R&D tax incentives that can be used to offset income tax payable, these are recognised as deferred tax assets where the carry forward criteria is satisfied. In such cases they will be a reduction in tax expense otherwise charged to the profit and loss.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. At each reporting date, the Group re-assesses unrecognised deferred tax assets as to the extent that it has become probable that future tax profit will enable recognition.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Beam Communications Holdings Limited and its wholly owned Australian subsidiaries have formed a tax consolidated group under the tax consolidation regime. The current tax liability of each group entity and deferred tax assets arising from tax losses are immediately assumed by the parent entity.

**(c) Trade and other receivables**

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**(d) Plant and equipment**

Plant and equipment is carried at cost less any accumulated depreciation and impairment losses, where applicable.

The carrying amount of plant and equipment is reviewed at each reporting date by directors to ensure it is not in excess of the recoverable amount from these assets.

Repairs and maintenance to plant and equipment is charged to the statement of profit or loss and other comprehensive income during the financial period in which it is incurred.

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The straight line depreciation rates for plant and equipment were:

|                                |          |
|--------------------------------|----------|
| Office furniture and equipment | 10 years |
| Computer and test equipment    | 3 years  |
| Rental equipment               | 3 years  |

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

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

**(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials and direct labour.

**(f) Development costs**

Development costs are capitalised only when it is probable that the expected future economic benefits would flow to the company and can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to future production. Expenditure not related to the creation of a new product is recognised as an expense when incurred.

The amortisation rate for capitalised development costs is dependent on an assessment of the minimum useful life of each project. Recent projects/products have been assessed at 4 years or 5 years giving a 25% or a 20% amortisation rate during 2024.

**(g) Employee benefits**

*Short-term employee benefits*

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

*Other long-term employee benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Option based compensation relates to the value of options issued to date and brought to account pro-rata to the time period from the date of issue to the date of vesting, except in the case of Director's where Accounting Standard AASB 2 requires expensing to begin from the commencement of service related to those options, notwithstanding that the issue of those options is subject to shareholder approval.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

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

**(h) Financial instruments**

Financial instruments in the form of trade receivables, trade payables and other financial assets and liabilities are initially measured at fair value adjusted by transactions costs on trade date when the related contractual rights or obligations arise. Realised and unrealised gains or losses arising from changes in the fair value of these assets or liabilities are included in the statement of profit or loss and other comprehensive income in the period in which they arise. At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Refer note 21 for a detailed review of the group's financial instruments.

The Group does not designate any interests in subsidiaries as being subject to the requirements of Financial Instruments accounting standards.

**(i) Impairment of assets**

At each reporting date, the group reviews the carrying values of its assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The group uses an Expected Credit Loss model in assessing impairment of trade and other receivables or loans and other instruments that fall within the scope AASB 9 impairment requirements. The model includes a simplified approach in accounting for trade and other receivables as well as contract assets, and records the loss allowance at the amount equal to the expected lifetime credit losses. Under this simplified approach, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Where applicable, bank overdrafts are disclosed within other financial liabilities in current liabilities on the statement of financial position.

**(k) Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The entity recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

When measuring lease liabilities for lease that had been classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied was 7.3% to 8%.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the entity uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received, any initial direct costs and an estimate of any costs to dismantle and remove the asset at the end of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. They are subject to impairment or adjusted for remeasurement.

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

**(l) Revenue recognition**

Revenue from the sale of goods or services is brought to account upon fulfilment of the relevant performance obligations of the contract with the customer. Performance obligations are fulfilled upon delivery of the goods or services to the customer at which point the transaction price is brought to account as revenue. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer.

Interest revenue and rental income are recognised when they become receivable. Other revenue is recognised when the right to receive the revenue has been established.

**(m) Government grants**

Government grants in the form of refundable Research and Development Tax Offsets received in respect of capitalised Development Costs are initially recognised as deferred income upon receipt, and brought to account as income on a systematic basis over the useful life of the related Development Cost assets.

There are no unfulfilled conditions or other contingencies attaching to government grants recognised in the financial statements.

**(n) Interest in joint venture**

A joint venture represents the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Where the Group is a party to a joint venture, the Group recognises its interests in the joint venture using the equity method whereby the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the joint venture. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

**(o) Foreign currency transactions and balances**

*Functional and presentation currency*

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates.

*Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

**(p) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the asset or expense cost. Receivables and Payables are shown in the statement of financial position as inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

**(q) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.



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

**(r) Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(s) 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.

**(t) New Accounting Standards and Interpretations not yet mandatory or early adopted**

The below are Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods:

| Accounting Standards and Interpretations  | Applicable to annual reporting periods beginning on or after |
|---|--|
| AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current | 1 Jan 2024   |
| AASB 2014-10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture                  | 1 Jan 2025   |

**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 resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

*Estimation of useful lives of assets*

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Lease liabilities*

The incremental borrowing rate applied to various lease liabilities recognised under AASB 16 ranges between 6.34% - 8%.

*Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*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 100% (2023: 100%) of the deferred tax assets and liabilities relating to carried forward tax losses. The directors have recognised 100% (2023: 100%) of non-refundable R&D tax credits.

The Directors expect sufficient future profitability and taxable income to enable the full value of all deferred tax assets to be realised.

The amount of unused net deferred tax assets which have not been brought to account in relation to capital tax losses is \$2,018,275 (2023: \$1,681,896). The amount of non-refundable R&D tax credits brought to account is \$837,592 (2023: 704,970).

The amount of net deferred tax assets which may be realised in the future is dependent on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

*Employee benefits provision*

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Warranty provision*

In determining the level of provision required for warranties the Group has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

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

*Major customers*

The Group has a number of customers to whom it provides products and services. The Group supplied a single customer in the U.S. accounting for 27% of external revenue (2023: 39%) and the second largest customer, located in Canada, accounted for 26% of external revenue (2023: 21%). The next most significant customer accounts for 6% of external revenue (2023: 6%).

*Geographical information*

The geographical disaggregation of sales has been presented in note 4.

**Note 4. Revenue**

|                 | <b>Consolidated</b> |                     |
|-----------------|---------------------|---------------------|
|                 | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                 | <b>\$'000</b>       | <b>\$'000</b>       |
| Equipment sales | 30,051              | 37,888              |
| Airtime         | 1,599               | 845                 |
| Other           | 1,102               | 819                 |
|                 | <hr/>               | <hr/>               |
| Revenue         | <b>32,752</b>       | <b>39,552</b>       |
|                 | <hr/>               | <hr/>               |

*Disaggregation of revenue*

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

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Geographical regions</i>                       |                     |                     |
| Australia   | 7,240               | 6,093               |
| United States of America                          | 9,376               | 15,774              |
| United Arab Emirates                              | 524                 | 893                 |
| United Kingdom                                    | 1,207               | 1,466               |
| China   | 711                 | 744                 |
| Canada  | 9,212               | 8,861               |
| Japan   | 309                 | 268                 |
| Other foreign countries                           | 4,173               | 5,453               |
|   | <hr/>               | <hr/>               |
|   | <b>32,752</b>       | <b>39,552</b>       |
|   | <hr/>               | <hr/>               |
| <i>Timing of revenue recognition</i>              |                     |                     |
| Goods and services transferred at a point in time | 30,122              | 37,995              |
| Goods and services transferred over time          | 2,630               | 1,557               |
|   | <hr/>               | <hr/>               |
|   | <b>32,752</b>       | <b>39,552</b>       |
|   | <hr/>               | <hr/>               |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
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**Note 5. Other income**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$'000</b>       | <b>\$'000</b>       |
| Research and development grant | 429                 | 466                 |
| Interest                       | 3                   | 12                  |
| Insurance proceeds             | 12                  | -                   |
| Foreign exchange               | -                   | 63                  |
|                                | <hr/>               | <hr/>               |
| Other income                   | 444                 | 541                 |
|                                | <hr/>               | <hr/>               |

**Note 6. Expenses**

(Loss)/profit before income tax includes the following specific expenses:

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Cost of sales</i>                       |                     |                     |
| Opening inventories                        | 7,462               | 4,335               |
| Add: Purchases and other stock adjustments | 20,454              | 31,599              |
|  | <hr/>               | <hr/>               |
|  | 27,916              | 35,934              |
|  | <hr/>               | <hr/>               |
| Less: Closing inventories (note 10)        | (5,684)             | (7,462)             |
|  | <hr/>               | <hr/>               |
|  | 22,232              | 28,472              |
|  | <hr/>               | <hr/>               |
| <i>Finance costs expense</i>               |                     |                     |
| Interest expense on lease liabilities      | 24                  | 17                  |
| Other financial costs                      | -                   | 90                  |
|  | <hr/>               | <hr/>               |
|  | 24                  | 107                 |
|  | <hr/>               | <hr/>               |
| <i>Other expenses</i>                      |                     |                     |
| Product development costs expensed         | 681                 | 236                 |
| Operating lease payments                   | 19                  | 25                  |
| Travel expense                             | 332                 | 333                 |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
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**Note 7. Income tax benefit**

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Income tax benefit</i>   |                     |                     |
| US tax expense/(credit)   | 5                   | (10)                |
| Current movement of temporary difference in net deferred tax assets                 | (398)               | 489                 |
| Movement in deferred tax asset associated with carry forward tax losses             | (263)               | 76                  |
| R&D tax offset  | (132)               | (705)               |
|   | <u>(788)</u>        | <u>(150)</u>        |
| Aggregate income tax benefit  |                     |                     |
|   | <u>(788)</u>        | <u>(150)</u>        |
| <i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i> |                     |                     |
| (Loss)/profit before income tax benefit   | (2,574)             | 1,925               |
| Tax at the statutory tax rate of 30% (2023: 25%)                                    | (772)               | 481                 |
| Tax reconciling items   | 772                 | (481)               |
| US tax expense/(credit)   | 5                   | (10)                |
| Deferred tax assets loss  | (793)               | (140)               |
|   | <u>(788)</u>        | <u>(150)</u>        |
| Income tax benefit  |                     |                     |
|   | <u>(788)</u>        | <u>(150)</u>        |

Income tax expense includes a tax expense of \$5,417 (2023: \$10,058 tax credit), incurred by the Group's USA subsidiary, which is unable to be combined with Australian tax losses.

There are no franking credits available to equity holders.

**Note 8. Cash and cash equivalents**

|                          | <b>Consolidated</b> |                     |
|--------------------------|---------------------|---------------------|
|                          | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                          | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Current assets</i>    |                     |                     |
| Cash at bank and on hand | 3,107               | 4,951               |
|                          | <u>3,107</u>        | <u>4,951</u>        |

**Note 9. Trade and other receivables**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Current assets</i>                      |                     |                     |
| Trade receivables                          | 3,816               | 4,342               |
| Less: Allowance for expected credit losses | (3)                 | -                   |
|  | <u>3,813</u>        | <u>4,342</u>        |
| Prepayments and other receivables          | 1,139               | 865                 |
| Rental & other security deposits           | 1                   | 114                 |
|  | <u>1,140</u>        | <u>979</u>          |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
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**Note 9. Trade and other receivables (continued)**

|                                  | <b>Consolidated</b> |                     |
|----------------------------------|---------------------|---------------------|
|                                  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                  | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Non-current assets</i>        |                     |                     |
| Rental & other security deposits | 113                 | -                   |
|                                  | <u>113</u>          | <u>-</u>            |
|                                  | <u>5,066</u>        | <u>5,321</u>        |

| <b>Ageing reconciliation</b>     | <b>Within trade terms</b> | <b>Past due but not impaired (days overdue) 31-60</b> | <b>Past due but not impaired (days overdue) 61-90</b> | <b>Past due but not impaired (days overdue) 90+</b> | <b>Past due &amp; impaired</b> | <b>Gross amount</b> |
|----------------------------------|---------------------------|---|---|---|--------------------------------|---------------------|
| <b>2024</b>                      |                           |   |   |   |                                |                     |
| Trade receivables                | 2,826                     | 396   | 9   | 582   | 3                              | 3,816               |
| Other receivables                | 1,139                     | -   | -   | -   | -                              | 1,139               |
| Rental & other security deposits | 114                       | -   | -   | -   | -                              | 114                 |
| Expected credit loss rate        | -                         | -   | -   | -   | 100.00%                        | 0.09%               |
| <b>2023</b>                      |                           |   |   |   |                                |                     |
| Trade receivables                | 4,111                     | 93  | 117   | 21  | -                              | 4,342               |
| Other receivables                | 865                       | -   | -   | -   | -                              | 865                 |
| 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 10. Inventories**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Current assets</i>          |                     |                     |
| Raw materials – at cost        | 737                 | 1,326               |
| Finished goods – at cost       | 5,891               | 7,639               |
| Less: Provision for impairment | (944)               | (1,503)             |
|                                | <u>5,684</u>        | <u>7,462</u>        |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 11. Right-of-use assets**

|                                    | <b>Consolidated</b> |                     |
|------------------------------------|---------------------|---------------------|
|                                    | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                    | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Non-current assets</i>          |                     |                     |
| Plant and equipment - right-of-use | 634                 | 1,360               |
| Less: Accumulated depreciation     | (137)               | (1,264)             |
|                                    | <u>497</u>          | <u>96</u>           |

*Reconciliations*

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

| <b>Consolidated</b>     | <b>Balance</b> |
|-------------------------|----------------|
|                         | <b>\$'000</b>  |
| Balance at 1 July 2022  | 218            |
| Additions               | 30             |
| Depreciation expense    | (152)          |
| Balance at 30 June 2023 | 96             |
| Additions               | 586            |
| Depreciation expense    | (185)          |
| Balance at 30 June 2024 | <u>497</u>     |

The Group leases building and two forklifts, with respective lease terms of 12, 5, and 3 years. Initially, the building was leased for a 9-year term starting in January 2015. This lease was modified in December 2023 to incorporate an additional three-year period.

None of the lease contracts include terms for variable payments.

|   | <b>2024</b>   | <b>2023</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Amount recognised in profit or loss</b>  |               |               |
| Depreciation expense on right-of-use assets | 185           | 152           |
| Interest expense on lease liabilities       | 24            | 17            |
| Expense relating to short-term leases       | 19            | 29            |

**Note 12. Interest in joint venture**

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

Zoleo Inc had no contingent liabilities or capital commitments as at 30 June 2024.

The Group's accumulated contribution US\$775,000 had been previously recognised as an increase in investment as per the equity accounting method and was written down to nil during the prior financial year as the Group's share of the accumulated losses exceeds the investment total.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 12. Interest in joint venture (continued)**

Summarised financial information:

|   | <b>Zoleo Inc<br/>2024<br/>\$'000</b> | <b>Zoleo Inc<br/>2023<br/>\$'000</b> |
|---|--------------------------------------|--------------------------------------|
| <b>Summarised statement of financial position:</b>                            |                                      |                                      |
| Current assets  | 4,780                                | 5,619                                |
| Total assets  | <u>4,780</u>                         | <u>5,619</u>                         |
| Current liabilities   | (6,134)                              | (6,783)                              |
| Non-current liabilities   | (2,340)                              | (2,338)                              |
| Total liabilities   | <u>(8,474)</u>                       | <u>(9,121)</u>                       |
| Net asset deficiency  | <u>(3,694)</u>                       | <u>(3,502)</u>                       |
| Share capital   | -                                    | -                                    |
| Accumulated losses  | <u>(3,694)</u>                       | <u>(3,502)</u>                       |
| Net equity  | <u>(3,694)</u>                       | <u>(3,502)</u>                       |
| <b>Summarised statement of profit or loss and other comprehensive income:</b> |                                      |                                      |
| Revenue   | 46,564                               | 40,566                               |
| Cost of goods sold  | <u>(40,563)</u>                      | <u>(36,080)</u>                      |
| Gross profit  | <u>6,001</u>                         | <u>4,486</u>                         |
| <i>Expenses</i>   |                                      |                                      |
| Operating staff costs   | (3,590)                              | (3,691)                              |
| Marketing   | (574)                                | (345)                                |
| Professional services   | (127)                                | (74)                                 |
| Billing & support fees  | (919)                                | (408)                                |
| Other expenses  | (753)                                | (789)                                |
| Total expenses  | <u>(5,963)</u>                       | <u>(5,307)</u>                       |
| Non-operating income  | <u>19</u>                            | <u>4</u>                             |
| Non-operating expense   | <u>(111)</u>                         | <u>(115)</u>                         |
| Tax   | <u>(89)</u>                          | <u>-</u>                             |
| Loss for the year   | <u>(143)</u>                         | <u>(932)</u>                         |
| Group's share of loss for the year ended                                      | <u>(72)</u>                          | <u>(466)</u>                         |



**Beam Communications Holdings Limited**  
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**Note 13. Plant and equipment**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Non-current assets</i>                |                     |                     |
| Office furniture and equipment - at cost | 508                 | 508                 |
| Less: Accumulated depreciation           | (490)               | (482)               |
|  | <u>18</u>           | <u>26</u>           |
| Computer and test equipment - at cost    | 530                 | 499                 |
| Less: Accumulated depreciation           | (474)               | (436)               |
|  | <u>56</u>           | <u>63</u>           |
| Rental equipment - at cost               | 43                  | 43                  |
| Less: Accumulated depreciation           | (25)                | (32)                |
|  | <u>18</u>           | <u>11</u>           |
| Total plant and equipment                | <u><u>92</u></u>    | <u><u>100</u></u>   |

*Reconciliations*

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

|                         | <b>Office<br/>furniture<br/>&amp; equipment<br/>\$'000</b> | <b>Computer &amp;<br/>test<br/>equipment<br/>\$'000</b> | <b>Rental<br/>equipment<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|-------------------------|--|---|--|-------------------------|
| <b>Consolidated</b>     |  |   |  |                         |
| Balance at 1 July 2022  | 25   | 54  | 12                                     | 91                      |
| Additions               | 10   | 42  | 5                                      | 57                      |
| Disposals               | -  | -   | (1)                                    | (1)                     |
| Depreciation expense    | (9)  | (33)  | (5)                                    | (47)                    |
|                         | <u>26</u>  | <u>63</u>   | <u>11</u>                              | <u>100</u>              |
| Balance at 30 June 2023 | 26   | 63  | 11                                     | 100                     |
| Additions               | -  | 31  | 18                                     | 49                      |
| Disposals               | -  | -   | (6)                                    | (6)                     |
| Depreciation expense    | (8)  | (38)  | (5)                                    | (51)                    |
|                         | <u>18</u>  | <u>56</u>   | <u>18</u>                              | <u>92</u>               |
| Balance at 30 June 2024 | <u><u>18</u></u>   | <u><u>56</u></u>  | <u><u>18</u></u>                       | <u><u>92</u></u>        |

**Note 14. Development costs**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Non-current assets</i>      |                     |                     |
| Development costs              | 12,722              | 13,057              |
| Less: Accumulated amortisation | (3,325)             | (4,142)             |
|                                | <u><u>9,397</u></u> | <u><u>8,915</u></u> |

**Beam Communications Holdings Limited**  
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**Note 14. Development costs (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial 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               | 3,333         |
| Amortisation expense    | (1,987)       |
| Balance at 30 June 2023 | 8,915         |
| Additions               | 2,908         |
| Amortisation expense    | (2,426)       |
| Balance at 30 June 2024 | 9,397         |

The Group has assessed the minimum useful life of products from recent development projects at 4 or 5 years during 2024.

In line with the accounting policy detailed in Note 1(i), the carrying value of assets is reviewed to determine whether there is an indication that those assets have been impaired. None of the intangible assets was written off during the financial year.

In relation to certain development assets that are yet to be amortised, a value in use methodology was used to ensure the carrying amount of assets exceeds the recoverable amount.

Principally, discounted cash models were used and a range of input sensitivities were modelled and considered. These sensitivities are designed to account for changes in economic assumptions underpinning business cases and projections and have included:

- after-tax discount rates in the range of 11% - 15%, reflecting the post tax weighted average cost of capital,
- assumptions regarding the anticipated units sales, applicable revenue expectations, costs to service the revenue capacity of the asset and the resulting gross margin from the relevant development asset,
- the likely mix of hardware and subscription revenue,
- the cost to complete the development assets not yet finished,
- likely applicable Income tax rates and tax cashflow timings; and
- the period over which the development asset is expected to generate returns being less than 10 years, representing a reasonable estimate of the product lifecycle.

**Note 15. Deferred tax**

|                           | <b>Consolidated</b> |                     |
|---------------------------|---------------------|---------------------|
|                           | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                           | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Non-current assets</i> |                     |                     |
| Deferred tax asset        | 1,250               | 457                 |

**Beam Communications Holdings Limited**  
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**Note 15. Deferred tax (continued)**

|                                 | Balance at<br>1 July 2023<br>\$'000 | Charged to<br>income | Balance at<br>30 June 2024<br>\$'000 |
|---------------------------------|-------------------------------------|----------------------|--------------------------------------|
| <b>Deferred tax assets</b>      |                                     |                      |                                      |
| Zoleo Arbitration costs         | -                                   | 897                  | 897                                  |
| Accruals                        | 144                                 | 71                   | 215                                  |
| Provisions                      | 765                                 | 6                    | 771                                  |
| Lease liabilities               | 33                                  | 116                  | 149                                  |
| Tax losses                      | 1,068                               | 263                  | 1,331                                |
| R&D tax offsets                 | 705                                 | 133                  | 838                                  |
| Borrowing costs                 | -                                   | 17                   | 17                                   |
|                                 | <u>2,715</u>                        | <u>1,503</u>         | <u>4,218</u>                         |
| <b>Deferred tax liabilities</b> |                                     |                      |                                      |
| Product development costs       | (2,229)                             | (590)                | (2,819)                              |
| Right-of-use assets             | (24)                                | (125)                | (149)                                |
| Other financial liabilities     | (5)                                 | 5                    | -                                    |
|                                 | <u>(2,258)</u>                      | <u>(710)</u>         | <u>(2,968)</u>                       |
|                                 | <u>457</u>                          | <u>793</u>           | <u>1,250</u>                         |

**Note 16. Trade and other payables**

|                             | <b>Consolidated</b>            |                                |
|-----------------------------|--------------------------------|--------------------------------|
|                             | <b>30 June 2024<br/>\$'000</b> | <b>30 June 2023<br/>\$'000</b> |
| <i>Current liabilities</i>  |                                |                                |
| Trade payables and accruals | 5,268                          | 5,725                          |
| Deferred R&D income         | 815                            | 1,245                          |
| Other deferred income       | 250                            | 304                            |
|                             | <u>6,333</u>                   | <u>7,274</u>                   |

The Group initially recognises refundable R&D investment grants deferred income upon receipt and brings to account the income over the same period as the amortisation of the related completed project cost. \$429,000 (2023: \$466,000) of R&D grant income was recognised in the statement of profit & loss for the year as shown in note 5.

Refer to note 21 for further information on financial instruments.

**Note 17. Borrowings**

**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 30 June 2024, the Company had the following unused bank facilities:

- An Australian dollar overdraft with a limit of \$300,000 (2023: \$300,000). The overdraft was not utilised at 30 June 2024 or 30 June 2023.
- A US dollar overdraft with a limit of US\$320,000 (2023: US\$320,000). The US dollar overdraft was not utilised at 30 June 2024 or 30 June 2023.
- The Group had a bank guarantee facility of \$50,000 at 30 June 2024 (2023: \$50,000). It was fully utilised at both 30 June 2024 and 30 June 2023.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
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**Note 18. Lease liabilities**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Current liabilities</i>     |                     |                     |
| Lease liability                | 194                 | 103                 |
| <i>Non-current liabilities</i> |                     |                     |
| Lease liability                | 302                 | 27                  |
|                                | <u>496</u>          | <u>130</u>          |

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Refer to note 21 for further information on financial instruments.

| <b>Carrying amounts and movements</b> | <b>\$'000</b> |
|---------------------------------------|---------------|
| Balance at 1 July 2022                | 326           |
| Additional                            | 29            |
| Decrease in liability                 | (225)         |
| Balance at 30 June 2023               | <u>130</u>    |
| Additional                            | 586           |
| Decrease in liability                 | (220)         |
| Balance at 30 June 2024               | <u>496</u>    |

**Note 19. Provisions**

|                                | <b>Consolidated</b> |                     |
|--------------------------------|---------------------|---------------------|
|                                | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Current liabilities</i>     |                     |                     |
| Employee benefits              | 1,216               | 1,234               |
| Warranty costs                 | 264                 | 191                 |
|                                | <u>1,480</u>        | <u>1,425</u>        |
| <i>Non-current liabilities</i> |                     |                     |
| Employee benefits              | 52                  | 53                  |
|                                | <u>1,532</u>        | <u>1,478</u>        |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
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**Note 19. Provisions (continued)**

*Movements in provisions*

Movements in each class of provision during the current financial year are set out below:

| <b>Consolidated - 30 June 2024</b>       | <b>Employee<br/>benefits<br/>\$'000</b> | <b>Warranty<br/>costs<br/>\$'000</b> | <b>Other<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|--|---|--------------------------------------|-------------------------|-------------------------|
| Carrying amount at the start of the year | 1,287                                   | 191                                  | -                       | 1,478                   |
| Additional provisions recognised         | 757                                     | 110                                  | -                       | 867                     |
| Amounts used                             | (776)                                   | (37)                                 | -                       | (813)                   |
| Carrying amount at the end of the year   | <u>1,268</u>                            | <u>264</u>                           | <u>-</u>                | <u>1,532</u>            |

**Note 20. Issued capital**

|                              | <b>Consolidated</b>            |                                |                                |                                |
|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                              | <b>30 June 2024<br/>Shares</b> | <b>30 June 2023<br/>Shares</b> | <b>30 June 2024<br/>\$'000</b> | <b>30 June 2023<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.

*(c) Capital risk management*

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

No dividends have been paid or declared in respect of ordinary shares for the 2024 financial year.

The Group effectively manages its capital by assessing the financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders, share issues, or convertible note issues.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

**Note 21. Financial instruments**

***Financial risk management objectives***

The Group undertakes transactions in a range of financial instruments including:

- cash assets;
- receivables;
- payables;
- deposits

**Note 21. Financial instruments (continued)**

Activities undertaken by entities within the Group result in exposure to a number of financial risks, including market risk interest rate risk, foreign currency risk, credit risk and liquidity risk.

Due to the size of operation conducted by the Group, risk management is monitored directly by the Board of Directors of the parent company with the aim of mitigation of the above risks and reduction of the volatility on the financial performance of the Group.

The risks associated with material financial instruments and the Group's policies for minimising these risks are detailed below.

**Market risk management**

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

Interest rate risk for the Group primarily arises from bank funding.

Facilities are provided by the Group's bankers and if, drawn upon, are at variable interest rates based upon Business Overdraft Prime Indicator rates plus a risk margin. The Group diligently manages the facilities and its accompanying rate risk in its daily operations by keeping the net debt portfolio at a minimum level or in an in-funds position.

These risk exposures related to the financial instruments are not considered material and therefore no sensitivity analysis has been provided.

*Financial Instrument Composition and Maturity*

The Group's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| 2024                                 | Floating<br>interest<br>\$'000 | Fixed<br>interest<br>\$'000 | Weighted<br>average<br>interest rate<br>% | Non-interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--------------------------------------|--------------------------------|-----------------------------|---|-----------------------------------|-----------------|
| <i>Financial assets</i>              |                                |                             |   |                                   |                 |
| Cash assets                          | 3,107                          | -                           | 0.00%                                     | -                                 | 3,107           |
| Receivables                          | -                              | -                           | 0.00%                                     | 5,066                             | 5,066           |
|                                      | 3,107                          | -                           |   | 5,066                             | 8,173           |
| <i>Financial liabilities</i>         |                                |                             |   |                                   |                 |
| Payables (excluding deferred income) | -                              | -                           | 0.00%                                     | 5,268                             | 5,268           |
| Lease liabilities                    | -                              | 496                         | 6.34%                                     | -                                 | 496             |
|                                      | -                              | 496                         |   | 5,268                             | 5,764           |



Note 21. Financial instruments (continued)

| 2023                                 | Floating<br>interest<br>\$'000 | Fixed<br>interest<br>\$'000 | Weighted<br>average<br>interest rate<br>% | Non-interest<br>bearing<br>\$'000 | Total<br>\$'000 |
|--------------------------------------|--------------------------------|-----------------------------|---|-----------------------------------|-----------------|
| <i>Financial assets</i>              |                                |                             |   |                                   |                 |
| Cash assets                          | 4,951                          | -                           | 0.00%                                     | -                                 | 4,951           |
| Receivables                          | -                              | -                           | 0.00%                                     | 5,321                             | 5,321           |
|                                      | 4,951                          | -                           |   | 5,321                             | 10,272          |
| <i>Financial liabilities</i>         |                                |                             |   |                                   |                 |
| Payables (excluding deferred income) | -                              | -                           | 0.00%                                     | 5,725                             | 5,725           |
| Lease liabilities                    | -                              | 131                         | 7.36%                                     | -                                 | 131             |
|                                      | -                              | 131                         |   | 5,725                             | 5,856           |

Foreign currency risk management

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group conducts the majority of its receivable and payable transactions in foreign currency, primarily in US Dollars. The Group's foreign currency exchange risk arises from the holding of foreign currency deposits and transactions in normal trading operations resulting in trade receivables and payables being held at balance date.

Foreign currency risk sensitivity:

If foreign exchange rates were to increase/decrease by 10% from rates used to determine values as at reporting date then the impacts on profit and equity due to unrealised foreign currency exchange gains or losses on foreign currency deposits and trade receivables and payables are as follows:

|                            | Foreign<br>currency<br>movement | Year<br>ended<br>30 June<br>2024<br>\$'000 | Year<br>ended<br>30 June<br>2023<br>\$'000 |
|----------------------------|---------------------------------|--|--|
| Impact on profit after tax | +/- 10%                         | +/- 254                                    | +/- 300                                    |
| Impact on equity           | +/- 10%                         | +/- 254                                    | +/- 300                                    |

The above sensitivity reflects the net holding of foreign currency financial instruments at balance date. Whilst foreign currency payables and receivables are largely offsetting during the year, the Group monitors and manages the associated currency risks in order to reduce the impact of market risk volatility, therefore no further sensitivity analysis has been provided.

Price risk

Price risk encompasses the potential for adverse effects on an entity's financial performance due to fluctuations in the prices of purchased goods and services, influenced by varying market conditions. To counter the risk, the Group consistently evaluates purchase prices as a routine operation, strategically determining the best timing and quantity for each acquisition.

Credit risk management

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause a financial loss to the Group.

The credit risk on financial assets of the Group that have been recognised in the statement of financial position is the carrying amount, net of any provision for doubtful debts. The Group minimises credit risk by performing credit assessments on all new customers, and continuing major customers, and where necessary, obtaining advance payments.

Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, an allowance for doubtful debts is raised.

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**Note 21. Financial instruments (continued)**

The Group does not have any credit risk arising from money market instruments, foreign currency contracts, cross currency and interest rate swaps.

**Liquidity risk management**

Liquidity risk includes the risk that, as a result of the Group's operational liquidity requirements, the Group:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth;
- may be unable to settle or recover a financial asset at all.

To help reduce these risks the Group:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained; and
- monitors forecast cash flows and endeavours to ensure that adequate borrowing facilities are maintained and/or maturity dates are managed appropriately.

The Group's exposure to liquidity risk on classes of financial assets and financial liabilities, is as follows:

|   | 1 year<br>\$'000 | 1 - 5 years<br>\$'000 | Total<br>contractual<br>cash flows<br>\$'000 |
|---|------------------|-----------------------|--|
| <b>2024</b>   |                  |                       |  |
| <i>Asset/Liability class</i>                        |                  |                       |  |
| Cash and cash equivalents                           | 3,107            | -                     | 3,107  |
| Receivables   | 5,066            | -                     | 5,066  |
| Payables and borrowings (excluding deferred income) | (5,268)          | -                     | (5,268)                                      |
| Lease liabilities                                   | (194)            | (302)                 | (496)  |
| Net maturities                                      | <u>2,711</u>     | <u>(302)</u>          | <u>2,409</u>                                 |
| <b>2023</b>   |                  |                       |  |
| <i>Asset/Liability class</i>                        |                  |                       |  |
| Cash and cash equivalents                           | 4,951            | -                     | 4,951  |
| Receivables   | 5,321            | -                     | 5,321  |
| Payables and borrowings (excluding deferred income) | (5,725)          | -                     | (5,725)                                      |
| Lease liabilities                                   | (104)            | (27)                  | (131)  |
| Net maturities                                      | <u>4,443</u>     | <u>(27)</u>           | <u>4,416</u>                                 |

**Note 22. Commitments and contingencies**

|                                     | <b>Consolidated</b> |                     |
|-------------------------------------|---------------------|---------------------|
|                                     | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                                     | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Capital expenditure projects</i> |                     |                     |
| Within one year                     | 2,072               | 2,911               |
| One to five years                   | -                   | -                   |
| More than five years                | -                   | -                   |
|                                     | <u>2,072</u>        | <u>2,911</u>        |

Capital commitments relate to product development projects being undertaken by the subsidiary, Beam Communications Pty Ltd.

**Beam Communications Holdings Limited**  
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**Note 22. Commitments and contingencies (continued)**

**Superannuation commitments**

Beam Communications Holdings Limited makes superannuation contributions to prescribed superannuation funds on behalf of employees and executive directors, as required by the Superannuation Guarantee legislation.

**Arbitration**

During the year ended 30 June 2024, the Group announced it was commencing formal proceedings by way of arbitration with its Zoleo Inc. JV Partner, Roadpost Inc.

In Canada on 29 April 2024 there was an Arbitration Court hearing lasting 2 weeks between the Group and Roadpost Inc. In early June 2024 written final submissions were provided.

Following a ruling by the Arbitrator, the future ownership of ZOLEO Inc is expected to be resolved. If the Group is unsuccessful and found to be in default in the arbitration outcome, it could be required to pay a portion of the legal fees of Roadpost. The general rule in Ontario is the successful party is entitled to be reimbursed for approximately 60% of reasonably incurred fees.

The outcome of the Arbitration proceedings cannot be reliably determined at this time.

**Note 23. Reconciliation of profit/(loss) after income tax to net cash from operating activities**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| (Loss)/profit after income tax benefit for the year          | (1,786)             | 2,075               |
| Adjustments for:   |                     |                     |
| Depreciation   | 236                 | 200                 |
| Amortisation   | 2,426               | 1,987               |
| Net loss on disposal of plant and equipment                  | -                   | 1                   |
| Unrealised foreign currency net losses / (gains)             | 82                  | (164)               |
| Share options expensed                                       | 98                  | 110                 |
| Notional interest expense                                    | -                   | 15                  |
| Change in operating assets and liabilities:                  |                     |                     |
| Decrease in trade and other operating assets                 | 255                 | 798                 |
| Decrease/(increase) in inventories                           | 2,337               | (4,229)             |
| Increase in deferred tax assets                              | (793)               | (140)               |
| (Decrease)/increase in trade and other operating liabilities | (562)               | 389                 |
| (Decrease)/increase in employee benefits                     | (20)                | 235                 |
| Increase in provision for warranty costs                     | 74                  | 106                 |
| Decrease in income in advance                                | (484)               | (71)                |
| (Decrease)/increase in provision for stock obsolescence      | (559)               | 1,103               |
| Net cash from operating activities                           | <u>1,304</u>        | <u>2,415</u>        |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 24. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

|                              | <b>Consolidated</b> |                     |
|------------------------------|---------------------|---------------------|
|                              | <b>30 June 2024</b> | <b>30 June 2023</b> |
|                              | <b>\$'000</b>       | <b>\$'000</b>       |
| Short-term employee benefits | 1,207               | 1,260               |
| Post-employment benefits     | 135                 | 106                 |
| Long-term benefits           | 20                  | 24                  |
| Termination benefits         | -                   | -                   |
| Share-based payments         | 98                  | 110                 |
|                              | <u>1,460</u>        | <u>1,500</u>        |

**Note 25. Share-based payments**

**Share Option Incentive Plan**

Share options under the Share Option Incentive Plan are granted at the discretion of the directors based on terms and conditions set out in the Company's Share Option Incentive Plan. The directors may at any time and from time to time determine eligible persons for the purposes of the option plan and select amongst those eligible persons participants who will be invited to participate in the option plan.

Options issued to directors pursuant to the option plan will be subject to approval of shareholders in general meeting, in compliance with the Listing Rules.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued under the Share Option Incentive Plan during the year for the Company:

|  | <b>30 June 2024</b> | <b>WAEP</b> | <b>30 June 2023</b> | <b>WAEP</b> |
|--|---------------------|-------------|---------------------|-------------|
|  | <b>No.</b>          | <b>\$</b>   | <b>No.</b>          | <b>\$</b>   |
| Outstanding at the beginning of the financial year | 2,230,798           | -           | 1,130,798           | -           |
| Issued during the financial year                   | 178,000             | 0.3000      | 1,100,000           | 0.3000      |
| Lapsed during the financial year                   | -                   | -           | -                   | -           |
| Exercised during the financial year                | -                   | -           | -                   | -           |
| Outstanding at the end of the financial year       | <u>2,408,798</u>    |             | <u>2,230,798</u>    |             |
| Outstanding at the date of this report             | <u>2,408,798</u>    |             | <u>2,230,798</u>    |             |

The fair value of the options granted to Non-executive Director Mr. Peter Kopanidis has been determined using the Black-Scholes option value model as detailed below.

|  |                 |
|--|-----------------|
| Grant date                               | 9 February 2024 |
| Number of options                        | 178,000         |
| Expiry date                              | 9 February 2026 |
| Share price at valuation date (\$)       | 0.2000          |
| Exercise price per option (\$)           | 0.3000          |
| Expected volatility                      | 50%             |
| Dividend yield                           | 0%              |
| Risk free interest rate                  | 4.35%           |
| Fair value per option at grant date (\$) | 0.0343          |

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 25. Share-based payments (continued)**

**Other share based payments**

On 1 December 2023, 500,000 share options granted to Peak Asset Management Pty Ltd on 1 December 2021 expired.

**Note 26. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2024</b> | <b>30 June 2023</b> |
|   | <b>\$'000</b>       | <b>\$'000</b>       |
| <i>Audit services</i>                       |                     |                     |
| Audit or review of the financial statements | 121                 | 110                 |

**Note 27. Related party transactions**

*Parent entity*

Beam Communications Holdings Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 30.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 28. Earnings per share**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2024</b> | <b>30 June 2023</b> |
|  | <b>\$'000</b>       | <b>\$'000</b>       |
| (Loss)/profit after income tax attributable to the owners of Beam Communications Holdings Limited  | (1,786)             | 2,075               |
| (Loss)/profit after income tax attributable to the owners of Beam Communications Holdings Limited used in calculating diluted earnings per share | (1,786)             | 2,075               |
|  | <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  | 86,421,921          | 86,421,921          |

2,408,798 options (2023: 5,571,703) held at 30 June 2024 have not been considered in the dilutive earnings per share calculation due to the average market price being less than the exercisable price.

**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 28. Earnings per share (continued)**

|                            | 30 June 2024<br>Cents | 30 June 2023<br>Cents |
|----------------------------|-----------------------|-----------------------|
| Basic earnings per share   | (2.07)                | 2.40                  |
| Diluted earnings per share | (2.07)                | 2.40                  |

**Note 29. Parent entity information**

*Statement of profit or loss and other comprehensive income*

|   | Parent<br>30 June 2024<br>\$'000 | Parent<br>30 June 2023<br>\$'000 |
|---|----------------------------------|----------------------------------|
| Loss from continuing operations   | (1,883)                          | (1,414)                          |
| Tax benefit   | 793                              | 140                              |
| <b>Loss for the year attributable to owners of the Company</b>                                      | <b>(1,090)</b>                   | <b>(1,274)</b>                   |
| Other comprehensive income  | -                                | -                                |
| <b>Total loss and other comprehensive income for the year attributable to owners of the Company</b> | <b>(1,090)</b>                   | <b>(1,274)</b>                   |

*Statement of financial position*

|                          | Parent<br>30 June 2024<br>\$'000s | Parent<br>30 June 2023<br>\$'000s |
|--------------------------|-----------------------------------|-----------------------------------|
| <b>Assets</b>            |                                   |                                   |
| Current assets           | 5,504                             | 7,332                             |
| Non-current assets       | 1,934                             | 643                               |
| <b>Total assets</b>      | <b>7,438</b>                      | <b>7,975</b>                      |
| <b>Liabilities</b>       |                                   |                                   |
| Current liabilities      | (5,075)                           | (4,894)                           |
| Non-current liabilities  | (354)                             | (80)                              |
| <b>Total liabilities</b> | <b>(5,429)</b>                    | <b>(4,974)</b>                    |
| <b>Net assets</b>        | <b>2,009</b>                      | <b>3,001</b>                      |
| <b>Equity</b>            |                                   |                                   |
| Issued capital           | 17,375                            | 17,375                            |
| Reserves                 | 254                               | 188                               |
| Accumulated losses       | (15,620)                          | (14,562)                          |
|                          | <b>2,009</b>                      | <b>3,001</b>                      |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

*Capital commitments*

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.



**Beam Communications Holdings Limited**  
**Notes to the financial statements**  
**30 June 2024**

**Note 29. Parent entity information (continued)**

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1.

**Note 30. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name                        | Principal place of business /<br>Country of incorporation | Ownership interest |                   |
|-----------------------------|---|--------------------|-------------------|
|                             |   | 30 June 2024<br>%  | 30 June 2023<br>% |
| Beam Communications Pty Ltd | Australia   | 100.00%            | 100.00%           |
| SatPhonerental Pty Ltd      | Australia   | 100.00%            | 100.00%           |
| SatPhone Shop Pty Ltd       | Australia   | 100.00%            | 100.00%           |
| Beam Communications USA Inc | USA   | 100.00%            | 100.00%           |

**Note 31. Events after the reporting period**

No matter or circumstance has arisen since 30 June 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**  
**Consolidated entity disclosure statement**  
**As at 30 June 2024**

| Entity name                 | Entity type    | Place formed /<br>Country of<br>incorporation | Ownership<br>interest | Tax residency            |
|-----------------------------|----------------|---|-----------------------|--------------------------|
|                             |                |   | %                     |                          |
| Beam Communications Pty Ltd | Body Corporate | Australia                                     | 100.00%               | Australia*               |
| SatPhonerental Pty Ltd      | Body Corporate | Australia                                     | 100.00%               | Australia*               |
| SatPhone Shop Pty Ltd       | Body Corporate | Australia                                     | 100.00%               | Australia*               |
| Beam Communications USA Inc | Body Corporate | United States of America                      | 100.00%               | United States of America |

\* Beam Communications Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

**Basis of preparation**

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

**Determination of tax residency**

Section 295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

*Australian tax residency*

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

*Foreign tax residency*

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vi) of the Corporations Act 2001).

**Partnerships and trusts**

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

**Beam Communications Holdings Limited**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr Simon Wallace  
Chairman

29 August 2024



**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Beam Communications Holdings Limited

#### Opinion

We have audited the financial report of Beam Communications Holdings Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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## Key Audit Matters (Continued)

| Key Audit Matter   | How our audit addressed this matter   |
|--|---|
| <b>Impairment of Intangible Assets</b><br>Refer to Note 14 in the financial statements   |   |
| <p>As at 30 June 2024, the Group showed intangible assets of \$9.4m, being capitalised development costs relating to multiple projects.</p> <p>Under AASB 136 Impairment of Assets, the Group has performed impairment assessment for intangible assets have not been amortised based on a value in use calculation, which determined that no impairment had occurred.</p> <p>We identified this area as a Key Audit Matter due to the size of the intangible assets balance, the management judgement required to assess whether any indicators of impairment exist, and management judgement involved in determining the value in use of the relevant assets based on the estimated future cash flows generated.</p> | <p>Our audit procedures, with the assistance of our Corporate Finance team, in relation to intangible assets included:</p> <ul style="list-style-type: none"> <li>Assessing management's review for any indicators of impairment;</li> <li>Assessing management's impairment test by checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets;</li> <li>Challenging the reasonableness of key assumptions, including the cash flow and revenue projections, exchange rates, discount rates, and any sensitivities used;</li> <li>Confirming our understanding of the nature of the intangible assets, the strategic purpose of the projects and its ability to generate future revenues through reviewing contracts in place and discussions with management; and</li> <li>Reviewing the adequacy of disclosures against the requirements of AASB 136.</li> </ul> |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and



**Responsibilities of the Directors for the Financial Report (Continued)**

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

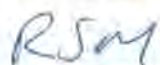
**Report on the Remuneration Report***Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Beam Communications Holdings Limited., for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read "M Parameswaran".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in blue ink, appearing to read "M Parameswaran".

**M PARAMESWARAN**

Partner

Dated: 29 August 2024  
Melbourne, Victoria

# Security Holder Information

This section includes information required by ASX Listing Rules, which is not disclosed elsewhere in this Annual Report.

As at 31 July 2024:

## TOP 20 SHAREHOLDERS

|                        | Number            | % of Class     |
|------------------------|-------------------|----------------|
| David Stewart          | 10,905,000        | 12.62%         |
| FF Okram Pty Ltd       | 8,634,258         | 9.99%          |
| Patrison (Asia) Ltd    | 5,409,874         | 6.26%          |
| Bolivianos Group       | 5,148,640         | 5.96%          |
| HSBC Custody Nominees  | 3,298,532         | 3.82%          |
| Michael Capocchi       | 3,124,320         | 3.62%          |
| Dr Malaka Ameratunga   | 2,350,000         | 2.72%          |
| BNP Paribas Nominees   | 2,191,437         | 2.54%          |
| Artpreciation Pty Ltd  | 1,798,632         | 2.08%          |
| Vincent Galante        | 1,590,922         | 1.84%          |
| Catch 88 Pty Ltd       | 1,531,519         | 1.77%          |
| Cedric Schaffer        | 1,443,652         | 1.67%          |
| Hotton Family          | 1,344,487         | 1.56%          |
| Christopher Silvestro  | 1,300,000         | 1.50%          |
| G Chan Pension Pty Ltd | 1,091,347         | 1.26%          |
| Tom Bekiaris           | 911,835           | 1.06%          |
| Paul Riethmaier        | 842,591           | 0.97%          |
| Mark Ganz              | 750,000           | 0.87%          |
| Alan Berrick           | 697,955           | 0.81%          |
| Brendan Turnbull       | 650,000           | 0.75%          |
| <b>Total Top 20</b>    | <b>55,015,001</b> | <b>63.66%</b>  |
| <b>Total Issued</b>    | <b>86,421,921</b> | <b>100.00%</b> |

## SUBSTANTIAL SHAREHOLDERS

|               | Number held | % of class |
|---------------|-------------|------------|
| David Stewart | 10,905,000  | 12.62%     |

No options are held by a substantial shareholder to subscribe to ordinary fully paid shares.

## UNMARKETABLE PARCELS

|                                 | Shares  |
|---------------------------------|---------|
| Minimum \$500 parcel at \$0.165 | 3,030   |
| Holders                         | 438     |
| Shares                          | 431,516 |
| % Total Issued                  | 0.5     |

## DISTRIBUTION OF SHARES

| Ranges                         | Number of holders | % of holders |
|--------------------------------|-------------------|--------------|
| 1-1,000                        | 273               | 24%          |
| 1,001-5000                     | 281               | 25%          |
| 5,001-10,000                   | 140               | 12%          |
| 10,001-100,000                 | 361               | 31%          |
| 100,001 and above              | 97                | 8%           |
| <b>Total number of Holders</b> | <b>1,152</b>      | <b>100%</b>  |

## VOTING RIGHTS

There are 86,421,921 ordinary fully paid shares held by 1,152 members and these are the only class of share currently issued. The Company's Constitution provides that every member present in person, by proxy or by corporate representative or by appointed attorney shall on the show of hands have one vote and shall on a poll have one vote for each fully paid share held. The Constitution also authorises the Chairman to adopt any procedure which is in the Chairman's opinion necessary or desirable for the proper and orderly casting or recording of votes at any general meeting of the Company, whether on a show of hands or on a poll.

## HOLDERS OF EACH CLASS OF EQUITY SECURITY

The company has issued:

**A.** 86,421,921 ordinary fully paid shares to 1,152 shareholders; and 2,230,798 unlisted options with varying expiry and prices:

**B.** 1,100,000 unlisted options @\$0.30 each expiring 2 December 2024

**C.** 200,000 unlisted options @\$0.53 each expiring 1 February 2025

**D.** 400,000 unlisted options @\$0.35 each expiring 23 December 2026

**E.** 530,798 unlisted options @\$0.35 each expiring 31 August 2026







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