

ASX ANNOUNCEMENT

17 April 2025

ACTIVITIES REPORT AND APPENDIX 4C: POSITIVE CASH FLOW & INCREASE IN CASH HOLDINGS**Highlights:**

- **Positive Operating Cashflow of \$1.3M in the latest quarter (vs. an outflow of \$2.2M in the prior quarter)**
- **Significant improvement in Beam's available funds of \$2.8M (\$2.5M in cash and \$300K in undrawn debt) vs. \$1.3M (\$1.2M cash and \$81K undrawn debt) in prior quarter**
- **Total recurring revenue jumped by 28.3% over PCP to annualised \$3.3M although Beam equipment sales (ex ZOLEO) fell 14.1% PCP to \$4.9M due to unusually large orders from one key customer in Q3FY24**
- **Beam is on track to cut ~\$2.7M in annualised expenses from its cost savings program and renegotiated remuneration contract with its Managing Director**

Beam Communications Holdings Ltd (ASX: BCC, "Beam" or the "Company"), a leading developer and distributor of mobile satellite solutions and services, is pleased to provide an overview of activities and commentary for the three months ended 31 March 2025 (Q3FY25), to accompany the Appendix 4C.

Summary of Cash Position

Beam recorded a positive net operating cash inflow of \$1.3 million in the quarter with customer receipts increasing 27.6% over the previous corresponding period (PCP) to \$9.6 million.

The Company's total available funds as of 31 March 2025 was \$2.8 million, which includes \$2.5 million in cash and \$300K from an undrawn and available overdraft facility. These available funds are a significant increase over the \$1.3 million (\$1.2 million cash and \$81K undrawn debt) in the prior quarter.

Operating Activities and Cost Savings

The Company's recurring revenue jumped 28.3% over the PCP to \$835K (or \$3.3 million annualised) with both ZOLEO royalties and Airtime sales to consumer and enterprise customers continuing to grow by double-digits.

Hardware sales from SatPhone Shop, a wholly owned Beam subsidiary and Telstra's largest satellite dealer, increased 13.5% PCP to \$408K.

Revenue from Beam's core business (sales of Beam-branded equipment and OEM devices excluding ZOLEO devices) fell 14.1% PCP to \$4.9 million. This is primarily due to significantly large orders from one key customer in Q3FY24.

Beam's ongoing cost rationalisation program and the reduction in Managing Director Michael Capocchi's remuneration package is on track to deliver annual savings of circa \$2.7 million.

The largest operating expenses in Q3FY25 were \$6.1 million in product and operating costs, \$1.5 million in staff costs and \$457K in admin and corporate costs (of which \$334K relates to one-off arbitration costs for Zoleo Inc.).

All figures are subject to annual audit.

Investing and Financing Activities

During the quarter, Beam recorded a net cash outflow of \$75K from Financing Activities, which are related to repayment of borrowings and a lease liability payment.

Correction to 2024 December Quarter Update

In the course of preparing the FY2025 half year results (released on 21 February 2025), Beam decided to take a more conservative approach and to defer \$2.8 million in sales that were initially recognised in the 2024 December quarter. Around \$751K of this revenue was deferred to January 2025 and recognised in this quarterly update. A further \$722K will be deferred to July 2025, while the balance is to be recognised pending the settlement of the Zoleo Inc. valuation and sales process.

As such, the previous quarterly activities update released on 30 January 2025 (and before the first half results) overstated the revenue in the December quarter by \$2.8 million. This is a non-cash correction and the Q2FY25 Appendix 4C and the first half results are accurate and unaffected by this adjustment.

This announcement has been approved by the Board of Directors.

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About Beam Communications Holdings Limited

Beam Communications Holdings Limited is an Australian publicly-listed company (ASX:BCC) that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment applications and services. Beam has developed several world-first innovations and its products and services are adopted by some of the world's largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat and Thuraya. Beam also developed the multi-award winning ZOLEO device, which generates recurring subscription revenues for the Group. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd www.satphoneshop.com. For more information, visit www.beamcommunications.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Beam Communications Holdings Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,608	25,345
1.2 Payments for		
(a) research and development	(42)	(67)
(b) product manufacturing and operating costs	(6,083)	(16,538)
(c) advertising and marketing	(27)	(180)
(d) leased items	(4)	(9)
(e) staff costs – <i>salaries, wages, and super</i>	(1,510)	(4,630)
(f) administration and corporate costs	(457)	(4,493)
1.3 Dividends received (see note 3)		
1.4 Interest received		11
1.5 Interest and other costs of finance paid	(22)	(42)
1.6 Income taxes paid/refunded	9	(6)
1.7 Government grants and tax incentives		
1.8 Other - <i>GST, FBT, payroll tax</i>	(128)	(584)
1.9 Net cash from / (used in) operating activities	1,344	(1,193)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(4)	(19)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets – <i>Product development capitalised</i>		(81)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	(4)	(100)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		899
3.6	Repayment of borrowings	(25)	(57)
3.7	Transaction costs related to loans and borrowings		(3)
3.8	Dividends paid		
3.9	Other – <i>Lease liability payment</i>	(50)	(144)
3.10	Net cash from / (used in) financing activities	(75)	695

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,244	3,107
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,344	(1,193)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(75)	695
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,509	2,509

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,509	1,244
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,509	1,244

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,625
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Explanation: The payments mentioned in section 6.1 encompass the following: Managing Director salary and superannuation \$188,194, consulting fees paid to a director amounting to \$12,980, \$13,557 interest paid on a director's loan, and payments made to manufacturing companies controlled by a director \$1,410,619.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities (<i>Bank overdraft</i>)	300	0
7.2	Credit standby arrangements		
7.3	Other (<i>secured term loan</i>)	619	619
7.4	Total financing facilities	919	619
7.5	Unused financing facilities available at quarter end		300
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Beam has an AUD overdraft facility of \$300,000 with National Australia Bank, secured by a fixed and floating charge. As of 31 December 2024, none of this facility had been drawn.</p> <p>On 7 May 2021, NAB granted a 5-year, low-interest term loan facility, which reduces monthly and is partially secured by the Australian government. The available balance at the end of the quarter was \$109,093, which was then fully drawn.</p> <p>Additionally, on 27 December 2024, Beam received a 12-month loan of USD \$320,000 (AUD \$509,554) from Adia Venture Limited, a company associated with non-executive director Carl Hung, at an annual interest rate of 11%, excluding withholding tax.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,344
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,509
8.3	Unused finance facilities available at quarter end (item 7.5)	300
8.4	Total available funding (item 8.2 + item 8.3)	2,809
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 17 April 2025.....

Authorised by:By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.