

27 October 2023

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 30 November 2023 at 2.00pm (AEDT). The meeting will be held at the Company's office at Unit 5, 8 Anzed Court, Mulgrave, Victoria and virtually via a Zoom webinar conferencing facility.

The Zoom webinar conferencing facility will facilitate voting by Shareholders at the Meeting. However, 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 in person will also be available for this Meeting.

Included in the attached package are the following documents:

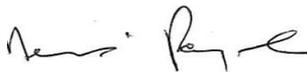
- 'Postcard' Notice of Annual General Meeting,
- Notice of Annual General Meeting,
- Explanatory Notes,
- Proxy Voting Form,
- Communications Preference Form,
- 2023 Annual Report

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, 27 October 2023.

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 2023 is attached here, it was lodged with the ASX on 30 August 2023 and is available on the Company's website.

Yours faithfully



Dennis Payne
Company Secretary

27 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 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 Zoom webinar conferencing facility, on Thursday, 30 November 2023 at 2.00pm (AEDT) (*AGM or Meeting*).

The Zoom webinar conferencing facility will facilitate voting by Shareholders at the Meeting. However, 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 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 participate via the Zoom webinar and 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/agm2023> for further details and a link to register for the Zoom webinar. The Company suggests that Shareholders register well in advance of the Meeting and log into the Zoom webinar 10 minutes before the 2.00pm start time.

No printed copies of the Notice of Annual General Meeting and Explanatory Statements will be posted to shareholders, instead are available for download:

- You can access the Meeting Materials, and a link to register for the webinar, online at the Company's website <https://beamcommunications.com/agm2023>
- A complete copy of the Meeting Materials have been posted to the Company's ASX market announcements page at www.asx.com.au under the Company's ASX code "BCC".

Yours faithfully,
Dennis Payne
Company Secretary
Beam Communications Holdings Limited

**SCAN ME**

For personal use only

BEAM COMMUNICATIONS HOLDINGS LIMITED

ACN 010 568 804

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2023 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 Zoom webinar conferencing facility, on Thursday, 30 November 2023 at 2.00pm (AEDT) (*AGM or Meeting*).

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 2023 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 Mark Allan Chartres, 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. Adoption of Remuneration Report

THAT, for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) 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 2023 be adopted by the Company.

This is a non-binding advisory resolution.

3. Conditional Spill Resolution

THAT, Subject to and conditional on at least 25% of the votes being cast against Resolution 2, to hold an extraordinary general meeting of the Company (Spill Meeting) within 90 days of this resolution passing, at which:

- (a) all Non-Executive Directors in office when the resolution to approve the Directors' Report for the financial year ended 30 June 2023 was passed, cease to hold office immediately before the end of the Spill Meeting; and*
- (b) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to the vote at the Spill Meeting.*

4. Grant of Options to Mr Mark Chartres (Non-Executive Director)

THAT, in accordance with ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of 1,100,000 options to Mr Mark Chartres, an independent Non-Executive Director of the Company, exercisable at \$0.30 per option, vesting on 2 December 2023 and exercisable on or before 2 December 2024, on the terms and conditions set out in the Explanatory Notes.

C. SPECIAL RESOLUTIONS

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

5. 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: 27 October 2023

By Order of the Board

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Dennis Payne
Company Secretary

GENERAL NOTES

1. Physical and Zoom webinar meeting

The Meeting will be held at the Company's offices at Mulgrave and via a Zoom webinar conferencing facility. If you are a Shareholder who wishes to participate in the virtual meeting, please go to <https://beamcommunications.com/agm2023> for further details and a link to register for the Zoom webinar. The Company suggests that Shareholders register well in advance of the Meeting and log into the Zoom webinar 10 minutes before the 2.00pm start time.

2. Voting

The Zoom webinar conferencing facility will facilitate voting by Shareholders at the Meeting. However, the Company strongly recommends that 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. **However, the Company strongly recommends that Shareholders instead participate via the Zoom webinar 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 2, 3 and 4, 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 2, 3 and 4 the Shareholder authorises the Chairman of the Meeting in respect of Resolutions 2, 3 and 4 to exercise the proxy:

- (a) notwithstanding that Resolutions 2, 3 and 4 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 2, 3 and 4, and that any votes cast by the Chairman of the Meeting in respect of Resolutions 2, 3 and 4, 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 2 and 4, and against Resolution 3.

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) post to Beam Communications Holdings Limited, Unit 5, 8 Anzed Court, Mulgrave VIC 3170; or
- (b) email to the Company Secretary, dennis.payne@beamcommunications.com

so that it is received by 2.00pm (AEDT) on Tuesday, 28 November 2023, being not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

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, 28 November 2023, will be taken to be the holders of shares for the purposes of determining 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 30 November 2023) 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 2023 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 (Mark Allan Chartres)

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). Mark Chartres retires this year in accordance with this rule and is permitted to seek re-election.

2.2 Director's Interest

Mark Chartres does not hold shares in the Company but does hold 200,000 options exercisable at \$0.53 per option expiring on 1 February 2025.

2.3 Personal Particulars

Mark Chartres' 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 Mark Chartres abstaining from the recommendation, that Shareholders vote in favour of Resolution 1.

3. Resolution 2 – Adoption of Remuneration Report

3.1 Remuneration Report in Annual Report

The Annual Report for the year ended 30 June 2023 contains a Remuneration Report (refer pages 13-20) 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 the 2022 AGM just over 32% of the votes cast by shareholders were against the adoption of the 2022 Remuneration report which meant Beam incurred a 'first strike'. This was a serious message for the Board from shareholders. We have spoken to many shareholders and their advisers to understand their concerns and where we could do better. The Directors believe the changes made address the concerns that led to the 'first strike'. These changes include:

- Mark Chartres replaced his 2023 cash Directors fees with options at an exercise price 30% above market to align with shareholder objectives,
- Simon Wallace stated his intention to acquire shares on market, investing a portion of his fees as a demonstration of his commitment to shareholders,
- Michael Capocchi's remuneration structure was revised for FY2024 and FY2025 with a change to the bonus calculation to focus more on minimum delivery of EBITDA and profits and the addition of KPI's aligned to increase in share price.

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

3.2 Voting Prohibition

A vote on Resolution 2 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 2 in accordance with the direction on the proxy form.

3.3 Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

4. Resolution 3 – Conditional Spill Resolution

4.1 Contingent Resolution concerning Remuneration Report

Subject to and conditional on at least 25% of the votes cast on Resolution 2, being cast against the Company's Remuneration Report for the financial year ended 30 June 2023, to hold an extraordinary general meeting of the Company (Spill Meeting) within 90 days of this resolution passing, at which:

- (a) all Non-Executive Directors in office when the resolution to approve the Directors' Report for the financial year ended 30 June 2023 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (b) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to the vote at the Spill Meeting.

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 Background

The 'first strike' at the 2022 AGM was a serious message for the Board from shareholders. We have spoken to many shareholders and their advisers to understand their concerns and where we could do better. The Directors believe the changes for 2023, which are detailed in 3.1 above, address the concerns that led to the 'first strike'.

This resolution will only be put to the 2023 AGM if at least 25% of the votes cast on Resolution 2 to adopt the FY2023 Remuneration Report are cast against its adoption. If fewer than 25% of the votes are against its adoption, then there will be no 'second strike' and this resolution will not be put to the AGM.

If the Spill Resolution is passed the Spill Meeting will be held within 90 days. The following Non-Executive Directors will cease to hold office unless they are re-elected at the Spill Meeting:

- Simon Wallace
- Mark Chartres.

This does not apply to CEO Michael Capocchi who is not required to stand for re-election as a Director and will continue to hold office during and after the Spill Meeting.

The Board considers the following factors to be relevant to a shareholder's decision on how to vote on this resolution:

- The changes made to executive and Director remuneration strategy, governance and framework do address shareholder concerns and align executive, Director and shareholder objectives while still providing the motivation that variable reward is designed to deliver,
- Each of the Non-Executive Directors has previously been elected as a Director and received strong support from shareholders,
- The importance of the Board remaining consistent throughout the Zoleo Inc. arbitration process with the in-depth knowledge they have of the business and the dispute. It should be noted that Simon Wallace serves as a Director on the Zoleo Inc. Board representing Beam with no additional Directors Fees.
- The disruption and significant cost involved in convening a Spill Meeting.

4.4 Recommendation

For the reasons outlined, the Board does not believe that proceeding to a Spill Meeting would be in the best interests of Beam Shareholders. If you do not want a Spill Meeting to take place the Directors recommend that you vote against Resolution 3.

5. Resolution 4 – Grant of Options to Mr Mark Chartres (Non-Executive Director)

5.1 Background

Under Resolution 4, the Company seeks Shareholder approval under ASX Listing Rule 10.14 for the issue of 1,100,000 options to Mark Chartres as remuneration in lieu of Director's fees for 12 months beginning on 2 December 2022 and also as a long term incentive in respect of performance in future financial years.

5.2 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 Mark Chartres. Mr Chartres 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 Mr Chartres is 1,100,000. The options to be issued under Resolution 4 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 2 December 2023.
- (iii) The options are exercisable before 2 December 2024.
- (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 \$50,853 over the following financial years:

- (i) Year ended 30 June 2023: \$29,258
- (ii) Year ended 30 June 2024: \$21,595

(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 \$0.04623, or a total of \$50,853 for the 1,100,000 options proposed to be issued to Mr Chartres. The valuation was assessed as at 2 December 2022 (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	30 November 2023
Grant Date	2 December 2023
Assumed share price	\$0.23 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	2 December 2023
Expiry Date	2 December 2024
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	2.85% 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 \$0.18, and the current relevant risk free rate is 4.0%, a current valuation of these options would be lower than the \$50,853 valuation if an assumed share price of \$0.18 and a risk free rate of 4.0% were 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 Mr Chartres for the current and the previous financial year is set out below:

	Current Year	Year ended 30 June 2023
Mr Chartres	\$50,000 pa (estimate)	\$20,833 in cash*

* Mr Chartres was appointed as a Director of the Company on 1 February 2022. On 2 December 2022 Mr Chartres elected to take options to the approximate value of \$50,000 in lieu of Directors fees for 12 months beginning on 2 December 2022.

(e) Details of prior issues

Mr Chartres has previously received securities under the Employee Option Plan (which was approved by Shareholders at the Company's annual general meeting held on 30 November 2021) being 200,000 options at an exercise price of \$0.53 as sign-on options at the time of his appointment and as a long-term incentive. These options were approved by shareholders at the 2022 AGM.

(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) 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 Mr Chartres in lieu of Director's fees for 12 months beginning on 2 December 2022 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 Mr Chartres 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 Mr Chartres 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 \$330,000. 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 4 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 5.5 below.

The following information is provided for the purposes of ASX Listing Rule 14.1A: If Shareholders do not approve Resolution 4 then the Company would be unable to complete the proposed issue of the options to Mr Chartres as contemplated. The options are intended to serve as additional incentive to Mr Chartres to further align the interests of Mr Chartres with those of Shareholders. If Resolution 4 is not approved, then the Company may elect to provide additional cash remuneration to Mr Chartres which would reduce the cash resources of the Company being available to spend on its operations.

5.3 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 Mr Chartres) 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 Mr Chartres (including the responsibilities involved in his role as Non-Executive Director). Therefore, the Company considers that the issue of the options to Mr Chartres 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.

5.4 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.

5.5 Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Mark Chartres 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 4 by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on Resolution 4 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 4, 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 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 other Directors (excluding Mr Chartres) recommend that Shareholders vote in favour of Resolution 4.

C. SPECIAL RESOLUTIONS

6. Resolution 5 - Approval for Additional Placement Capacity

6.1 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 5 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 5 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 5 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.

6.2 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 5, 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 5 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 \$0.09 (50% decrease in current market price)	Funds raised based on issue price of \$0.18 (Closing price at market close on 16/10/2023)	Funds raised based on issue price of \$0.27 (50% increase in current market price)
86,421,921 (Current)	8,642,192	\$777,797	\$1,555,595	\$2,333,392
129,632,881 (50% increase)	12,963,288	\$1,166,696	\$2,333,392	\$3,500,088
172,843,842 (100% increase)	17,284,384	\$1,555,595	\$3,111,189	\$4,666,784

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 2023.
- The issue price set out above is the closing price of the shares on the ASX on 16 October 2023.
- 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 4 and 5.

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).

6.3 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 5.

6.4 Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

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.

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(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).



APPOINTMENT OF PROXY

The webinar conferencing facility will facilitate voting by Shareholders at the Meeting in addition to attendance at the Mulgrave office.

ASX Code: BCC
www.beamcommunications.com

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

Form A: 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

or, failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Beam Communications Holdings Limited to be held at the Company's office at Mulgrave and virtually via a webinar conferencing facility on Thursday, 30 November 2023 at 2.00pm (AEDT) and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the commencement of the meeting.

Important for Resolutions 2, 3 and 4: If the Chairman of the Meeting is your proxy or is appointed your proxy by default. By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2, 3 & 4 as set out below and in the Notice of Meeting. If you do not mark this box and you have not directed your proxy how to vote on Resolutions 2, 3 & 4, the Chairman of the Meeting will not cast your votes on Resolutions 2,3 & 4 and your votes will not be counted in computing the required majority.

Form B: The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 2 and 4, and against Resolution 3.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2, 3 and 4 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 2, 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel.

ORDINARY RESOLUTIONS:

To direct your proxy how to vote on any resolution please insert X in the appropriate box below

Table with 4 columns: Resolution, For, Against, Abstain*. Rows include Resolution 1 (Re-election of Director), Resolution 2 (Adoption of Remuneration Report), Resolution 3 (Conditional Spill Resolution), and Resolution 4 (Grant of Options to Mark Allan Chartres).

SPECIAL RESOLUTIONS:

To direct your proxy how to vote on any resolution please insert X in the appropriate box below

Table with 4 columns: Resolution, For, Against, Abstain*. Row includes Resolution 5 (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 and your votes will not be counted in computing the required majority.

D SIGNATURE AND NAME OF SECURITYHOLDERS-THIS MUST BE COMPLETED

Signature lines for Securityholder 1, Joint Securityholder 2, and Joint Securityholder 3.

Name:.....

Holding No (if known):.....

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form.

How to complete this Proxy Form

1. 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.

2. Appointment of a Proxy using this Form

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3. Votes on Items of Business

You should 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.

4. Appointment of 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 or you may copy this form.

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.
- (b) Return both forms together.

5. 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 security holder may sign.
Power of Attorney: to sign under Power of Attorney, you must attach the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) 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.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 2.00pm (AEDT) on Tuesday 28 November 2023, being no 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:

By posting to Beam Communications Holdings Limited as follows:
Beam Communications Holdings Limited
Unit 5, 8 Anzed Court, Mulgrave,
Victoria, Australia 3170

Or by email to the Company Secretary: dennis.payne@beamcommunications.com

Or by delivering it to the above address

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Beam Communications Holdings Limited

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: BCC
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au



COMMUNICATIONS PREFERENCE FORM

Everyone benefits from electronic securityholder communications. As an investor you will benefit from secure, convenient and prompt delivery of information by electing to receive your communications electronically which helps reduce the impact on the environment and costs associated with printing and sending materials by mail.

To receive your securityholder communications electronically via your nominated email address you can log on to the website: www.linkmarketservices.com.au and follow the instructions provided. Alternatively please tick one of the options below, insert your email address in the space provided and return the form.

If you do not select an option you will receive your securityholder communications (excluding annual report) by post and we will advise you when the annual report is available on our website.

If you wish to receive a printed version of the annual report, please contact the Registry, Link Market Services Limited.

SELECT YOUR PREFERENCE

ONLINE

www.linkmarketservices.com.au

OPTIONS - Please select one only

OPTION 1

All communications electronically, including notification of the annual report and payment statements (if applicable). I have provided my email address below.

OPTION 2

All communications electronically, except payment statements (if applicable) by post. I have provided my email address below.

My email address is:

Shareholder Name: _____

Shareholder Address: _____

Shareholding Number (HIN/SRN): _____

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the Corporations Act 2001. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group 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 for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am-5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

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2023
ANNUAL
REPORT

Beam Communications Holdings Limited



DIRECTORS

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

COMPANY SECRETARY

Mr Dennis Frank Payne

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Beam Communications Holdings Limited
Unit 5/8 Anzed Court
Mulgrave, VIC, 3170
Ph: (03) 8561 4200
Email: investor@beamcommunications.com

SHARE REGISTER

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

AUDITOR

RSM Australia Partners
Level 21, 55 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>

EMAIL

investor@beamcommunications.com

ASX OFFICE

Based in Melbourne

ASX CODE

BCC

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WORLD CLASS

- Satellite Solutions • Innovative Technology • Customer Service

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

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CHAIRMAN'S REPORT

Dear Shareholders,

I am delighted to address you today following a remarkable year of accomplishments for our Company.

As Chairman, I am immensely proud to share that we have achieved record-breaking results driven by strong sales and rising recurring revenues across Beam's key businesses. Our collective efforts have not only propelled us to new financial heights but have also solidified our leadership position in the global Mobile Satellite Services (MSS) industry, thereby putting us at the forefront of a rapidly growing market. The investment in our sector and priorities being demonstrated by large global players is testament to the opportunities that continue to exist in satellite communications.

One of the driving forces behind our remarkable performance has been the furtherance of an already impressive reputation for innovation. We have relentlessly invested in research and development to create products and services that not only meet, but exceed, the expectations of our customers. Our ability to anticipate market trends and evolving needs has allowed us to stay ahead of the curve, resulting in products and technologies that are truly cutting-edge.

Pleasingly, our success to date is not confined to a single market or offering. We have expanded our global footprint and product range, tapping into new markets and regions. This strategy has not only contributed to our strong financial performance but has also enhanced our brand presence and reputation on a global scale.

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.



PROFIT PERFORMANCE AND MAJOR IMPACTS

Group revenue increased a significant 67.1% year-on-year (YoY) in FY23 to \$39.6 million, while earnings before interest, tax, depreciation and amortisation (EBITDA) increased to \$4.3 million (FY22: \$1.5 million) and net profit after tax (NPAT) improved to \$2.1 million (FY22: loss of \$177 thousand). Beam's revenue, EBITDA and NPAT are at their highest levels in the Company's history. On any measure, this has been a remarkable year.

One of the key contributors to these objectively impressive results is the successful launch of the next-generation portable satellite hotspot device, Iridium GO! exec[®], with orders running well ahead of schedule. Beam secured a US\$12 million five-year contract with **Iridium Communications Inc** (NASDAQ: IRDM) to design, build and supply this world-first innovation, which is sold globally to the enterprise, government and consumer markets.

Sales of Beam's other equipment also contributed to the record results. This includes docking units, satellite terminals, accessories and the original Iridium GO![®] hotspot, which was launched in 2014 and continues to enjoy strong market demand.

Importantly, Beam's recurring revenues have increased 39.6% to \$1.6 million in FY23. This increase is driven by growth in ZOLEO subscriptions in Australia and New Zealand with the total number of net subscribers increasing by two-thirds compared to over 6,200 as of 30 June 2023. Beam receives a royalty payment for each ANZ subscriber. Recurring revenues are also being bolstered by the recently awarded Telstra subsidiary deal with MTDData.

Another contributor to Beam's strong financial performance is the growth of SatPhone Shop, a wholly owned subsidiary of Beam and the largest Telstra satellite equipment provider. The business recorded a 6.7% increase in sales in FY23 compared to the previous year to just over \$2.5 million due to strong demand for satellite equipment as Beam benefited from continued strong growth in the mobile satellite services market.

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20+ YEARS

- Experience • Expertise • Excellence



OUTLOOK AND PROJECTS

The momentum from FY23 is anticipated to carry over into the new financial year as Beam is well positioned to benefit from the significant uptick in the MSS market and from associated demand for its range of world-first innovative offerings.

In keeping with our tradition of innovation, Beam is developing a further Iridium Certus® offering following the successful launch of the Iridium GO! exec®, and the development of a new Beam branded device that will also generate recurring subscription revenues in addition to hardware sales.

Market awareness about the importance and utility of satellite services has recently been bolstered by high-profile brands like Apple and Starlink, which are transforming what was regarded as a niche application into more of a mainstream offering. Beam's products and services do not compete directly with these companies and will benefit from the expected expansion in the MSS market, which is driven by the increasing demand for reliable and secure connectivity, particularly for data, in remote and hard-to-reach areas where access to terrestrial networks is limited.

The sales performance of Iridium GO! exec® and other Beam innovations are symptomatic of this uptrend, which also bodes well for the continued growth of our recurring revenues from ZOLEO subscriptions and satellite airtime sales.

Another positive driver for FY24 is the SatPhone Shop business, which is leveraged to the organic growth in the MSS sector and from rising demand for Beam's solutions. Moreover, the business is strategically important to Beam as it gives it a direct channel to market.

STAFF AND BOARD

The devotion and tenacity of our staff is a major reason behind our success, and I cannot express enough my personal and professional admiration and appreciation to everyone at Beam. The fact that a small company like ours can develop so many world-first innovations over the years from our humble offices at Mulgrave, Victoria, is a testament to the quality of talent and dedication in the team.

Even as we hand down record levels of revenue and earnings from the commercial success of our products and services portfolio, our dedicated team is already gearing up to launch new innovations that will provide an important additional tailwind for growth.

Beam did not issue new shares during the year but did issue 200,000 sign-on options to director Mark Chartres with an exercisable price of \$0.53 and expiring on 1 February 2025.

Finally, I would like to end by congratulating everyone in the Beam family for achieving an outstanding full year result and for playing an invaluable part in building a successful and innovative company that punches above its weight in so many respects. I have confidence the value of the company will transition to reflect the recent and forecast performance of the company, providing growth to shareholders and the capital position of the company.



Mr Simon Wallace
Chairman

30 August 2023



Beam's
experience
fosters and
co-develops
partnerships
to deliver
world class
business
solutions

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DIRECTOR'S REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Beam') consisting of Beam Communications or 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 2023.

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 David Paul James Stewart
*(Non-executive director,
resigned 30 September 2022)*

Mr Mark Allan Chartres
(Non-executive director)

COMPANY SECRETARY

Mr Dennis Frank Payne



SIMON LISTER WALLACE
Non Executive Chairman

Age: 49

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.

LEADING

• Innovation • Communication • Connection



MICHAEL IAN CAPOCCHI

Managing Director

Age: 52

Michael Capocchi has over 25 years' experience in the ICT industry and has held several senior management positions. Michael is based in Chicago, USA, which places him closer to the important centres for satellite communications in the USA and UK/Europe.

Michael joined Beam Communications Holdings Limited as the General Manager of the subsidiary, Beam Communications Pty Ltd, in 2003 and was appointed as Managing Director of Beam Communications Holdings Limited in March 2008.

Prior to joining the Group, Michael was the Regional Sales Director for Iridium Satellite LLC, directly managing the sales, distribution and channel management strategies for the Asia-Pacific region. Michael has held senior management positions as the Sales and Marketing Director of Pacific Internet responsible for establishing the Australian operations of the company and with Optus Communications.

Since its inception in August 2018, Michael has been a Director of Zoleo Inc. the joint venture entity of which the Group is a 50% partner with Roadpost Inc of Canada.

Michael Capocchi is an integral part of the Group's business, including managing the day to day operations of the group which occasions extensive domestic and international travel when possible.



MARK ALLAN CHARTRES

Non Executive Director

Age: 44

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 will materially augment the Board's skills matrix.

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DIRECTORSHIPS OF OTHER LISTED COMPANIES

No Director of Beam Communications Holdings Limited has been a director of a listed company in the three years immediately before the end of the financial year.

PRINCIPAL ACTIVITIES

The activities of the Group and its controlled entities during year were the development and marketing of a range of communication products and services, mainly satellite based.

DIVIDENDS

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

REVIEW OF OPERATIONS

The profit for the Group after providing for income tax amounted to \$2,075,148 (30 June 2022: loss of \$176,805).

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

	2023 (\$000)	2022 (\$000)
Revenue	39,552	23,663
Other income	541	665
Deduct:		
Cost of goods sold, research & development, administrative marketing and corporate expenses	(35,829)	(22,851)
Operating profit before amortisation, depreciation, interest and tax	4,264	1,477
Deduct:		
Amortisation	(1,987)	(1,006)
Depreciation	(200)	(199)
Interest	(152)	(151)
Operating profit	1,925	121
Net tax credit/(expense)	150	(297)
Net profit/(loss) for year	2,075	(176)
Total comprehensive income/(loss) for year	2,075	(176)

PROFIT AND PERFORMANCE

The company achieved its third consecutive year of record revenue in the financial year ended 30 June 2023 (FY23) driven by the launch of the Iridium GO! exec[®] device and growing global demand for its range of mobile satellite solutions.

Group operating revenue increased 67.1% in FY23 to \$39.6 million, while earnings before interest, tax, depreciation and amortisation (EBITDA) increased to \$4.3 million (FY22: \$1.5 million) and net profit after tax (NPAT) improved by \$2.3 million to \$2.1 million (FY22: loss of \$177 thousand). Beam's revenue, EBITDA and NPAT are at their highest levels in the Company's history.

One of the key contributors to the solid results is the successful launch of the next-generation portable satellite hotspot device, Iridium GO! exec, with orders running well ahead of schedule. Beam secured a US\$12 million five-year contract with Iridium Communications Inc (NASDAQ: IRDM) to design, build and supply this world-first innovation, which is sold globally to the enterprise, government and consumer markets.

Sales of Beam's other equipment also contributed to the record results. This includes docking units, satellite terminals, accessories and the original Iridium GO!® hotspot, which was launched in 2014 and continues to enjoy strong market demand.

Importantly, Beam's recurring revenues have increased 39.6% to \$1.6 million in FY23. This increase is driven by growth in ZOLEO subscriptions in Australia and New Zealand with the total number of net subscribers increasing by two-thirds compared to over 6,200 as of 30 June 2023. Beam receives a royalty payment for each ANZ subscriber.

Group recurring revenue was also bolstered by the uplift in airtime sales, particularly after Beam secured a contract to provide airtime services to Telstra Group Limited's (ASX: TLS) subsidiary, Mobile Tracking and Data Pty Ltd, which is worth in excess of \$1.2 million over two years (the contract rolls over yearly, unless otherwise ended, after the two-year minimum term).

Additionally, the launch of ZOLEO into the European region gained further traction in FY23 as the seamless satellite messaging solution was made available across all 30 countries in the European Economic Area (EEA) compared with just five countries in the region at its initial launch in May last year.

Another contributor to Beam's pleasing financial performance is the growth of SatPhone Shop, a wholly owned subsidiary of Beam and the largest Telstra satellite equipment provider. The business recorded a 6.7% increase in sales in FY23 to just over \$2.5 million due to strong demand for satellite equipment as Beam benefited from continued strong growth in the mobile satellite services market.

CASH AND FUNDING

Beam's cash holdings at 30 June, 2023, were \$5 million and it had a further \$1.2 million in available but undrawn debt facilities.

The Company posted a positive operating cash flow of \$2.4 million in FY23, which was driven by the further unwinding of trade working capital following the successful launch of the Iridium GO! exec[®] device.

Beam capitalised \$3.3 million in development costs primarily relating to ZOLEO and Iridium GO! exec[®], and received the federal government's R&D tax credit of \$884,437 in the last financial year.

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OUTLOOK AND PROJECTS

The momentum from FY23 is expected to carry over into the new financial year as Beam is well positioned to benefit from the ongoing growth of the Mobile Satellite Services (MSS) market and from associated demand for its range of world-first innovative offerings.

The Company is forecasting CAPEX of circa \$3 million in FY24, which relates to two new projects that Beam is undertaking – a further Iridium Certus® offering following the successful launch of the Iridium GO! exec®, and the development of a new Beam branded device that will also generate recurring subscription revenues in addition to hardware sales.

Market awareness about the importance and utility of satellite services has recently been bolstered by high-profile brands like Apple and Starlink, which are transforming what was regarded as a niche application into more of a mainstream offering. Beam's products and services do not compete directly with these companies and will benefit from the expected expansion in the MSS market.

The global MSS industry is forecast to expand at around 7% compound annual growth rate (CAGR) from 2023 to 2030 to hit US\$9.7 billion, according to Grand View Research¹. This growth is driven by the increasing demand for reliable and secure connectivity, particularly for data, in remote and hard-to-reach areas where access to terrestrial networks is limited.

The sales performance of Iridium GO! exec is symptomatic of this uptrend. Beam completed delivery of the first year's minimum commitment against its five-year contract in the first six months of the launch of the device. Beam believes that the US\$12 million minimum order for the hotspot device will be exceeded before the end of the contract and further anticipates that it will have fulfilled circa 80% of the contract by end of the current financial year.

Meanwhile, there are few signs of a slowdown in global demand for the original Iridium GO!® device, even though it was launched nine years ago. This device is aimed at a different user demographic to the Iridium GO! exec®, and the long lifecycle of satellite equipment bolsters our confidence about the sustained growth of these innovations.

Additionally, sales and subscriptions of the seamless satellite communicator, ZOLEO, continues to grow. Beam believes that royalty payments to the Company will continue to increase year-on-year over the medium-term, if not longer-term. The Company's positive outlook for ZOLEO stems in part from the recent introduction of the ZOLEO Track service, which will open new opportunities to sell the solution to the global B2B market and increase Average Revenue per User (ARPU). The feature allows organisations to monitor, manage and locate staff in real-time to improve safety and operational efficiency of their staff.

Further, ZOLEO Track is likely to increase enterprise and government subscriptions to the Location Share+ value-added service, which is in addition to the monthly ZOLEO subscription plan. This is because when both services are active, customers can also receive automatic location updates, check-ins, SOS events and detailed breadcrumb track points.

Meanwhile, Beam is expecting sales and subscriptions of ZOLEO in Europe to rise materially in FY24 as several key retailers in the region have started carrying and promoting the product. The recent availability of German language support will also help ZOLEO gain stronger traction in countries like Germany, Austria and Switzerland.

Another positive driver for FY24 is the SatPhone Shop business, which is perfectly placed to benefit from organic growth in the MSS sector and from rising demand for Beam's solutions. Moreover, the business is strategically important to Beam as it gives it a direct channel to market. With the launch of a new website and a variety of new products, we anticipate further opportunities in the B2B space.

¹ <https://www.grandviewresearch.com/press-release/global-mobile-satellite-services-market>

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.

LOSS OF KEY PERSONNEL

The Company's ability to be productive, profitable and competitive, and to implement its growth strategy, depends on the continued employment and performance of senior executives and management. Beam runs a globally complex operation and its performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience. The loss of key personnel or the inability to attract additional personnel may have an adverse impact on its financial and operating performance. To mitigate some of this risk, Beam has insurance cover for its Managing Director and Chief Executive Officer, Michael Capocchi.

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 eight 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 David Stewart retired from the Board effective 30 September 2022, after spending nearly five years on the Group's board.

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 for over 12 months 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.

The Directors believe the Group is well placed to continue to deliver strong result in FY24 due to the Group's strong balance sheet and many growth options, including the continued success of the new Iridium GO! exec[®] device, 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 2023 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 2023, and the number of meetings attended by each Director were:

	Directors Meetings Attended	Directors Meetings Maximum Attendable	Committees Attended	Committees Maximum Attendable
M Capocchi	18	18	-	-
D Stewart <small>(resigned 30 September 2022)</small>	5	5	1	1
S Wallace	18	18	2	2
M Chartres	17	18	1	1

Maximum Attendable: represents the number of meetings applicable to the director 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.

	2023	2022	2021	2020	2019
Net profit/(loss) before tax (\$'000)	1,925	121	780	(1,518)	722
EBITDA (\$'000)	4,264	1,477	1,991	3,276	2,104
Basic earnings per share (cents)	2.40	(0.22)	0.76	(0.31)	0.64
Share price at 30 June (\$)	0.18	0.20	0.24	0.17	0.27
Market Capitalisation at 30 June (\$m)	15.6	17.28	17.64	8.99	14.28
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 growth agenda was clearly demonstrated in FY23 by the increase in revenue, EBITDA and NPAT for the Group.

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 2023 financial year, reflecting sign on obligations and achieved incentives.

Other benefits

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

Details of remuneration

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 D Stewart - Non-Executive Director (resigned 30 September 2022)
- Mr M Chartres - Non-Executive Director

And the following persons:

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

Employment Contracts

KMP	Notice	Termination Payment	Non-Compete	Term
S Wallace	None	None	None post-employment	No fixed term
M Capocchi	9 months (after minimum term of 27 months)	Notice paid in leu	None post-employment	36 months from 1 July 2022
M Chartres	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

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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	Total
	Cash salary and fees	Cash bonus and commission	Employee benefits payable (b)	Superannuation	Employee benefits payable	Options (a)	
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
	928,022	306,407	25,899	105,681	23,626	110,492	1,500,129

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus and commission	Employee benefits payable (b)	Superannuation	Employee benefits payable	Options (a)	
30 June 2022	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors:							
Mr S Wallace	68,182	-	-	6,818	-	-	75,000
Mr M Chartres	20,833	-	-	-	-	4,245	25,078
Mr D Stewart	41,666	-	-	-	-	-	41,666
Executive Directors:							
Mr M Capocchi (c)	432,506	52,969	8,319	52,591	7,210	25,865	579,460
Other Key Management Personnel:							
Mr D Payne	89,744	5,000	1,201	9,574	3,034	-	108,553
Mr W Christie	224,034	5,000	12,414	22,403	4,928	-	268,779
Mr D Sleigh	121,338	26,666	1,615	12,250	238	15,818	177,925
	998,303	89,635	23,549	103,636	15,410	45,928	1,276,461

(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 2023 his remuneration has been converted into AU dollars at the exchange rate on 30 June 2023 of 0.6630 (2020: 0.6889)

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 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Non-Executive Directors:						
Mr S Wallace	100%	100%	-	-	-	-
Mr D Stewart	100%	100%	-	-	-	-
Mr M Chartres	37%	83%	-	-	63%	17%
Executive Directors:						
Mr M Capocchi (c)	59%	86%	35%	9%	6%	5%
Other Key Management Personnel:						
Mr W Christie	100%	98%	-	2%	-	-
Mr D Sleigh	77%	76%	13%	15%	10%	9%

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.

2023	Balance 1 July 2022	Received as remuneration	Options exercised	Placement issue	Ceasing to be a KMP	Net change other (a)	Balance 30 June 2023
Directors:							
Mr S Wallace	200,000	-	-	-	-	-	200,000
Mr M Capocchi	2,832,099	-	-	-	-	292,221	3,124,320
Mr D Stewart (c)	10,905,000	-	-	-	(10,905,000)	-	-
Mr M Chartres (b)	-	-	-	-	-	-	-
Other:							
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

2022	Balance 1 July 2021	Received as remuneration	Options exercised	Placement issue	Ceasing to be a KMP	Net change other (a)	Balance 30 June 2022
Directors:							
Mr S Wallace	200,000	-	-	-	-	-	200,000
Mr M Capocchi	2,671,897	-	-	-	-	160,202	2,832,099
Mr D Stewart (c)	10,905,000	-	-	-	-	-	10,905,000
Mr M Chartres (b)	-	-	-	-	-	-	-
Other:							
Mr D Payne	328,570	-	-	-	(328,570)	-	-
Mr W Christie	62,778	-	-	-	-	-	62,778
Mr D Sleigh	-	-	-	18,182	-	-	18,182
	14,168,245	-	-	18,182	(328,570)	160,202	14,018,059

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- (a) Net change other refers to shares purchased or sold on-market or off-market at current market prices during the financial year.
 (b) Mark Chartres was appointed as a director on 1 February 2022. Upon appointment Mr Chartres held no shares in the Group.
 (c) David Stewart resigned as a director on 30 September 2022.

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.

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

2022	Balance 1 July 2021	Granted as remuneration	Issued as equity investment	Options exercised	Options lapsed	Balance 30 June 2022
Directors:						
Mr S Wallace	-	-	-	-	-	-
Mr M Capocchi	-	530,798	-	-	-	530,798
Mr D Stewart	-	-	-	-	-	-
Mr M Chartres	-	200,000	-	-	-	200,000
Other:						
Mr D Payne	-	-	-	-	-	-
Mr W Christie	-	-	-	-	-	-
Mr D Sleigh	-	400,000	4,546	-	-	404,546
	<u>-</u>	<u>1,130,798</u>	<u>4,546</u>	<u>-</u>	<u>-</u>	<u>1,135,344</u>

All options held by Directors and key management personnel at 30 June 2023 were currently un-exercisable as at balance date.

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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 2022 ANNUAL GENERAL MEETING (AGM)

At the Company's most recent AGM, held on 30 November 2022, a resolution to adopt the prior year (2022) remuneration report was put to the vote and more than 25% of votes cast were against the adoption of that report. This constituted a "first strike" under the executive remuneration related provisions of the *Corporations Act*.

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 2023 and 30 June 2022 are set out below:

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 \$
Directors:							
Mr S Wallace	-	-	-	-	-	-	-
Mr M Capocchi	-	-	-	-	-	-	-
Mr D Stewart	-	-	-	-	-	-	-
Mr M Chartres	02/12/2022	02/12/2023	1,100,000	50,853	-	-	-
Other:							
Mr W Christie	-	-	-	-	-	-	-
Mr D Sleigh	-	-	-	-	-	-	-
2022							
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 \$
Directors:							
Mr S Wallace	-	-	-	-	-	-	-
Mr M Capocchi	23/12/2021	31/08/2024	530,798	122,614	-	-	-
Mr D Stewart	-	-	-	-	-	-	-
Mr M Chartres	01/02/2022	01/02/2023	200,000	10,400	-	-	-
Other:							
Mr D Payne	-	-	-	-	-	-	21,916
Mr W Christie	-	-	-	-	-	-	31,309
Mr D Sleigh	23/12/2021	23/12/2024	400,000	92,400	-	-	-

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Details of options granted to and/or vested to key management personnel during the 2023 financial year are outlined below:

2023								
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 D Stewart	-	-	-	-	-	-	-	
Mr M Chartres	-	1,100,000	02/12/2022	0.04623	0.30	02/12/2023	02/12/2024	
		<u>1,100,000</u>						
Other:								
Mr W Christie	-	-	-	-	-	-	-	
Mr D Sleigh	-	-	-	-	-	-	-	
		<u>-</u>						
		<u>1,100,000</u>						

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 December 2023	\$1.00	3,340,905
23 December 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
			<u>5,571,703</u>

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of Beam Communications Holdings Limited were issued during the year ended 30 June 2023 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.

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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

30 August 2023

GENERAL INFORMATION

The financial statements cover Beam Communications Holdings Limited (the 'Company') as a Group consisting of Beam Communications Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Beam Communications Holdings Limited's functional and presentation currency.

Beam Communications Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 5 / 8 Anzed Court
Mulgrave, VIC, 3170
Australia

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2023. The directors have the power to amend and reissue the financial statements.

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RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

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 2023, 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

Melbourne, VIC
Dated: 30 August 2023

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Beam Communications Holdings Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

		Consolidated	
	Note	30 June 2023 \$'000	30 June 2022 \$'000
Revenue	4	39,552	23,663
Other income	5	541	665
Expenses			
Cost of sales	6	(28,472)	(17,237)
Employment expense		(4,661)	(3,445)
Depreciation and amortisation expense		(2,187)	(1,205)
Finance costs	6	(166)	(151)
Administrative expense		(494)	(392)
Legal, insurance and patent		(487)	(262)
Marketing and ICT		(822)	(730)
Share of loss from interest in Joint Venture		-	(249)
Other	6	(879)	(536)
Profit before income tax		1,925	121
Income tax benefit/(expense)	7	150	(297)
Profit/(loss) after income tax for the year attributable to the owners of Beam Communications Holdings Limited		2,075	(176)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Beam Communications Holdings Limited		<u>2,075</u>	<u>(176)</u>
		Cents	Cents
Basic earnings per share	28	2.40	(0.22)
Diluted earnings per share	28	2.40	(0.22)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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Beam Communications Holdings Limited
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

		Consolidated	
	Note	30 June 2023 \$'000	30 June 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	4,951	5,775
Trade and other receivables	9	5,321	6,036
Inventories	10	7,462	4,335
Total current assets		17,734	16,146
Non-current assets			
Plant and equipment	13	100	91
Right-of-use assets	11	96	218
Development costs	14	8,915	7,569
Deferred tax	15	457	318
Total non-current assets		9,568	8,196
Total assets		27,302	24,342
Liabilities			
Current liabilities			
Trade and other payables	16	7,274	6,047
Lease liabilities	18	103	221
Provisions	19	1,425	1,200
Total current liabilities		8,802	7,468
Non-current liabilities			
Borrowings	17	-	486
Lease liabilities	18	27	105
Provisions	19	53	48
Total non-current liabilities		80	639
Total liabilities		8,882	8,107
Net assets		18,420	16,235
Equity			
Issued capital	20	17,375	17,375
Reserves		188	163
Retained profits/(accumulated losses)		857	(1,303)
Total equity		18,420	16,235

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 2023

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021	12,703	86	(1,127)	11,662
Loss after income tax expense for the year	-	-	(176)	(176)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(176)	(176)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued, net of transaction costs	4,700	-	-	4,700
Share-based payments	-	46	-	46
Adjustment for broker options issued	(32)	32	-	-
Adjustment for share options exercised	3	-	-	3
Balance at 30 June 2022	17,374	164	(1,303)	16,235

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses / retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	17,374	164	(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	17,374	189	857	18,420

The above statement of changes in equity should be read in conjunction with the accompanying notes

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Beam Communications Holdings Limited
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

		Consolidated	
	Note	30 June 2023	30 June 2022
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		39,608	28,176
Payments to suppliers and employees (inclusive of GST)		(37,156)	(27,856)
Interest received		12	1
Interest and finance charges paid		(149)	(99)
Income tax credit		10	104
Payroll tax refund		90	-
		<u> </u>	<u> </u>
Net cash from operating activities	23	<u>2,415</u>	<u>326</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	(52)	(60)
Payments for capitalised development costs		(3,333)	(3,061)
Proceeds from research and development grant		884	713
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(2,501)</u>	<u>(2,408)</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs	20	-	4,704
Net loan payments		(513)	(346)
Lease liability repayments		(225)	(208)
		<u> </u>	<u> </u>
Net cash from/(used in) financing activities		<u>(738)</u>	<u>4,150</u>
Net increase/(decrease) in cash and cash equivalents		(824)	2,068
Cash and cash equivalents at the beginning of the financial year		<u>5,775</u>	<u>3,707</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>4,951</u></u>	<u><u>5,775</u></u>

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

Note 1. Significant accounting policies

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.

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Note 1. Significant accounting policies (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.

Non-cash refundable R&D tax incentives that can be used to offset income tax payable are recognised as deferred tax assets where the carry forward criteria is satisfied. In such cases there 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	5-10 years
Computer and test equipment	3 years
Rental equipment	3 years

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Note 1. Significant accounting policies (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 2023.

(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. Significant accounting policies (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 leases 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 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. Significant accounting policies (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. Non-refundable Research and Development tax incentives are considered offsets to income tax expenses, subject to meeting the carry-forward recognition criteria.

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.

Note 1. Significant accounting policies (continued)

(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.

(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 AASs - Classification of Liabilities as Current or Non-current liabilities as Current or Non-current	1 Jan 2023
AASB 2021-2 Amendments to AASs - Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023
AASB 2021-5 Amendments to AASs - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
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.

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

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 consolidated 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.

Lease liabilities

The incremental borrowing rate applied to various lease liabilities recognised under AASB 16 ranges between 7.3% - 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, if appropriate. 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% (2022: 60%) of the deferred tax assets and liabilities relating to carried forward tax losses. The directors have recognised 100% (2022: not applicable) 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 relating to tax losses which have not been brought to account is nil (2022: \$762,526) and capital tax losses of \$1,681,896 (2022: \$1,681,896). The amount of non-refundable R&D investment credits brought to account is \$704,970 (2022: nil).

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.

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 39% of revenue (2022: 34%) and the second largest customer, located in Canada, accounted for 21% of revenue (2022: 15%). The next most significant customer accounts for 6% of revenue (2022: 10%).

Geographical information

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

Note 4. Revenue

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
Equipment sales	37,888	22,423
Airtime	845	700
Other	819	540
	<hr/>	<hr/>
Revenue	<u>39,552</u>	<u>23,663</u>

Disaggregation of revenue

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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Geographical regions</i>		
Australia	6,093	5,114
United States of America	15,774	4,521
United Arab Emirates	893	575
United Kingdom	1,466	1,329
China	744	133
Canada	8,861	9,153
Japan	268	363
Other foreign countries	5,453	2,475
	<hr/>	<hr/>
	<u>39,552</u>	<u>23,663</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	37,995	22,550
Goods and services transferred over time	1,557	1,113
	<hr/>	<hr/>
	<u>39,552</u>	<u>23,663</u>

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Beam Communications Holdings Limited
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Note 5. Other income

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
Research and development grant	466	470
Interest	12	1
Foreign exchange	63	194
	<hr/>	<hr/>
Other income	541	665
	<hr/> <hr/>	<hr/> <hr/>

Note 6. Expenses

Profit before income tax includes the following specific expenses:

	Consolidated	Consolidated
	2023	2022
	\$'000	\$'000
<i>Cost of sales</i>		
Opening inventories	4,335	3,071
Add: Purchases and other stock adjustments	31,599	18,501
	<hr/>	<hr/>
	35,934	21,572
	<hr/>	<hr/>
Less: Closing inventories (note 10)	(7,462)	(4,335)
	<hr/>	<hr/>
	28,472	17,237
	<hr/> <hr/>	<hr/> <hr/>
<i>Finance costs expense</i>		
Interest expense on lease liabilities	17	32
Other financial costs	149	119
	<hr/>	<hr/>
	166	151
	<hr/>	<hr/>
<i>Other expenses</i>		
Product development costs expensed	236	249
Operating lease payment	25	36
Travel expense	333	125

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Note 7. Income tax expense/(benefit)

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Income tax expense/(benefit)</i>		
US tax expense benefit/(credit)	(10)	19
Current movement of temporary difference in net deferred tax assets	489	274
Movement in deferred tax asset associated with carry forward tax losses	76	4
R&D tax offset	(705)	-
	<u>(150)</u>	<u>297</u>
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit before income tax (expense)/benefit	1,925	121
Tax at the statutory tax rate of 25%	481	30
Tax reconciling items	(481)	(30)
US tax loss/(credit)	(10)	19
Deferred tax assets loss	(140)	278
	<u>(150)</u>	<u>297</u>

Income tax expense includes a tax expense of \$10,058 (2022: \$18,770), 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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank and on hand	4,951	5,775

Note 9. Trade and other receivables

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current assets</i>		
Trade receivables	4,342	1,377
Less: Allowance for expected credit losses	-	-
	<u>4,342</u>	<u>1,377</u>
Other receivables and prepayments	863	4,545
Rental & other security deposits	116	114
	<u>979</u>	<u>4,659</u>
	<u>5,321</u>	<u>6,036</u>

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Note 9. Trade and other receivables (continued)

Ageing reconciliation	Within trade terms	Past due but not impaired (days overdue) 31-60	Past due but not impaired (days overdue) 61-90	Past due but not impaired (days overdue) 90+	Past due & impaired	Gross amount
2023						
<u>Current</u>						
Trade receivables	4,111	93	117	21	-	4,342
Other receivables	863	-	-	-	-	863
Rental & other security deposits	116	-	-	-	-	116
Expected credit loss rate	-	-	-	-	-	-
2022						
<u>Current</u>						
Trade receivables	1,032	345	-	-	-	1,377
Other receivables	4,545	-	-	-	-	4,545
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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current assets</i>		
Raw materials - at cost	1,326	677
Finished goods - at cost	7,639	4,058
Less: Provision for impairment	(1,503)	(400)
	<u>7,462</u>	<u>4,335</u>

Note 11. Right-of-use assets

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Right-of-use assets	1,360	1,330
Less: Accumulated depreciation	(1,264)	(1,112)
	<u>96</u>	<u>218</u>

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Note 11. Right-of-use assets (continued)

Reconciliations

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

Consolidated	Balance \$'000
Balance at 1 July 2021	360
Additions	18
Depreciation expense	<u>(160)</u>
Balance at 30 June 2022	218
Additions	30
Depreciation expense	<u>(152)</u>
Balance at 30 June 2023	<u><u>96</u></u>

The Group leases several assets, which includes buildings and two forklifts with original lease terms of 9, 5 and 3 years respectively. There are no variable lease payment terms in any lease contracts.

There are no extension or termination options on the leases.

	2023 \$'000s	2022 \$'000s
Amount recognised in profit or loss		
Depreciation expense on right-of-use assets	152	160
Interest expense on lease liabilities	17	32
Expense relating to short-term leases	29	19

Note 12. Interest in joint venture

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Investment in joint venture	-	1,099
Group's accumulated share of loss from Zoleo Inc. joint venture for the year ended	<u>-</u>	<u>(1,099)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

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 2023.

The Group's accumulated contribution US\$775,100 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.

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Note 12. Interest in joint venture (continued)

Summarised financial information:

	Zoleo Inc. 2023 \$'000	Zoleo Inc. 2022 \$'000
Summarised statement of financial position:		
Current assets	5,619	7,398
Total assets	<u>5,619</u>	<u>7,398</u>
Current liabilities	(6,783)	(7,621)
Non-current liabilities	(2,338)	(2,250)
Total liabilities	<u>(9,121)</u>	<u>(9,871)</u>
Net asset deficiency	<u>(3,502)</u>	<u>(2,473)</u>
Share capital	-	-
Accumulated losses	<u>(3,502)</u>	<u>(2,473)</u>
Net equity	<u>(3,502)</u>	<u>(2,473)</u>
Summarised statement of profit or loss and other comprehensive income:		
Revenue	40,566	30,387
Cost of goods sold	(36,080)	(27,768)
Gross profit	<u>4,486</u>	<u>2,619</u>
<i>Expenses</i>		
Operating staff costs	(3,691)	(2,619)
Marketing	(345)	(206)
Professional services	(74)	(34)
Billing & support fees	(408)	(176)
Other expenses	(789)	(242)
Total expenses	<u>(5,307)</u>	<u>(3,277)</u>
Gain on FX	4	1
Non-operating expense	<u>(115)</u>	<u>(72)</u>
Loss for the year	<u>(932)</u>	<u>(729)</u>
Group's share of loss for the year ended	(466)	(364)

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Note 13. Plant and equipment

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Office furniture and equipment - at cost	508	498
Less: Accumulated depreciation	(482)	(473)
	<u>26</u>	<u>25</u>
Computer and test equipment - at cost	499	457
Less: Accumulated depreciation	(436)	(403)
	<u>63</u>	<u>54</u>
Rental equipment - at cost	43	46
Less: Accumulated depreciation	(32)	(34)
	<u>11</u>	<u>12</u>
Total plant and equipment	<u><u>100</u></u>	<u><u>91</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:

Consolidated	Office furniture & equipment \$'000	Computer & test equipment \$'000	Rental equipment \$'000	Total \$'000
Balance at 1 July 2021	29	32	11	72
Additions	7	46	8	61
Disposals	-	-	(2)	(2)
Depreciation expense	(11)	(24)	(5)	(40)
Balance at 30 June 2022	25	54	12	91
Additions	10	42	5	57
Disposals	-	-	(1)	(1)
Depreciation expense	(9)	(33)	(5)	(47)
Balance at 30 June 2023	<u><u>26</u></u>	<u><u>63</u></u>	<u><u>11</u></u>	<u><u>100</u></u>

Note 14. Development costs

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Non-current assets</i>		
Development costs	13,057	9,386
Less: Accumulated amortisation	(4,142)	(1,817)
	<u><u>8,915</u></u>	<u><u>7,569</u></u>

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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

Consolidated	\$'000
Balance at 1 July 2021	5,500
Additions	3,886
Amortisation expense	<u>(1,817)</u>
Balance at 30 June 2022	7,569
Additions	3,333
Amortisation expense	<u>(1,987)</u>
Balance at 30 June 2023	<u><u>8,915</u></u>

The Group has assessed the minimum useful life of products from recent development projects at 4 or 5 years during 2023.

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.

Note 15. Deferred tax

<i>Non-current assets</i>	Consolidated	
Deferred tax asset	30 June 2023	30 June 2022
	\$'000	\$'000
	<u>457</u>	<u>318</u>
	Balance at	Charged to
	1 July 2022	income
	\$'000	Balance at
		30 June 2023
		\$'000
Deferred tax assets		
Carrying amount of patents and capital raising costs	-	-
Accruals	38	106
Provisions	258	507
Lease liabilities	49	(16)
Tax losses	1,144	(76)
R&D tax offsets	-	705
	<u>1,489</u>	<u>1,226</u>
Deferred tax liabilities		
Product development costs	(1,135)	(1,094)
Right-of-use assets	(33)	9
Other financial liabilities	(3)	(2)
	<u>318</u>	<u>139</u>
		<u>457</u>

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Note 16. Trade and other payables

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current liabilities</i>		
Trade payables and accruals	5,725	4,428
Deferred R&D income	1,245	826
Other deferred income	304	793
	<u>7,274</u>	<u>6,047</u>

The Group initially recognises refundable R&D investment grants as deferred income upon receipt and brings to account the income over the same period as the amortisation of the related completed project cost. \$466,183 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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Non-current liabilities</i>		
Secured loan	-	486
	<u>-</u>	<u>486</u>

The Group had a secured loan facility with Roadpost Inc. of up to US\$600,000. Roadpost is a Canadian company and a joint venture partner with Beam Communications Pty Ltd to develop, market and distribute the Zoleo product, a satellite based messaging device, including associated airtime contracts. The interest-free Assistance Loan was to assist Beam to establish the business and was repayable at Beam's sole discretion.

The loan balance \$485,756 from the preceding period was fully repaid during the financial year.

Refer to Note 21 for further information on financial instruments.

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 2023, the company had the following unused bank facilities:

- An Australian dollar overdraft with a limit of \$300,000 (2022: \$300,000). The overdraft was not utilised at 30 June 2023 or 30 June 2022.
- A US dollar overdraft with a limit of US\$320,000 (2022: US\$320,000). The US dollar overdraft was not utilised at 30 June 2023 or 30 June 2022.
- The Group had a bank guarantee facility of \$50,000 at 30 June 2023 (2022: \$150,000). It was fully utilised at both 30 June 2023 and 30 June 2022.

On 1 July 2020 the NAB granted Beam a 3 year, low interest term loan of \$500,000 and a further \$500,000 on 10 May 2021 part secured by the Australian government under their Covid19 relief program to assist with funding of Beam's product development program. The principal outstanding of \$972,970 was repaid on 19 May 2021 and, after allowing for amortisation, \$400,849 was available to be redrawn at 30 June 2023.

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Note 18. Lease liabilities

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	103	221
<i>Non-current liabilities</i>		
Lease liability	27	105
	<u>130</u>	<u>326</u>

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

Carrying amounts and movements

	\$'000
Balance at 1 July 2021	517
Additional	18
Decrease in liability	(209)
Balance at 30 June 2022	<u>326</u>
Additional	29
Decrease in liability	(225)
Balance at 30 June 2023	<u>130</u>

Note 19. Provisions

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
<i>Current liabilities</i>		
Employee benefits	1,234	1,004
Warranty costs	191	85
Other	-	111
	<u>1,425</u>	<u>1,200</u>
<i>Non-current liabilities</i>		
Employee benefits	53	48
	<u>1,478</u>	<u>1,248</u>

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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:

Consolidated - 30 June 2023	Employee benefits \$'000	Warranty costs \$'000	Other \$'000	Total \$'000
Carrying amount at the start of the year	1,052	85	111	1,248
Additional provisions recognised	496	126	-	622
Amounts used	(261)	(20)	(111)	(392)
	<u>1,287</u>	<u>191</u>	<u>-</u>	<u>1,478</u>

Note 20. Issued capital

	Consolidated			
	30 June 2023 Shares	30 June 2022 Shares	30 June 2023 \$'000	30 June 2022 \$'000
Ordinary shares - fully paid	<u>86,421,921</u>	<u>86,421,921</u>	<u>17,375</u>	<u>17,375</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2021	75,052,952		12,703
Shares issued, net of transaction costs		11,363,636	\$0.44	4,669
Shares issued on the exercise of options		<u>5,333</u>	\$0.50	<u>3</u>
Balance	30 June 2022	<u>86,421,921</u>		<u>17,375</u>
Balance	30 June 2023	<u>86,421,921</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 2023 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 2022 Annual Report.

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Note 21. Financial instruments

Financial risk management objectives

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

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

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

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

Note 21. Financial instruments (continued)

2022	Floating interest \$'000	Fixed interest \$'000	Weighted average interest rate %	Non-interest bearing \$'000	Total \$'000
Cash assets	5,775	-	0.00%	-	5,775
Receivables	-	-	0.00%	6,036	6,036
	<u>5,775</u>	<u>-</u>		<u>6,036</u>	<u>11,811</u>
Payables (excluding deferred income)	-	-	0.00%	4,914	4,914
Lease liabilities	-	327	7.36%	-	327
	<u>-</u>	<u>327</u>		<u>4,914</u>	<u>5,241</u>

Foreign currency risk

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 currency movement	Year ended 30 June 2023 \$'000	Year ended 30 June 2022 \$'000
Impact on profit after tax	+/- 10%	+/-300	+/- 23
Impact on equity	+/- 10%	+/-300	+/- 23

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:

2023	1 year \$'000	1 - 5 years \$'000	Total contractual cash flows \$'000
<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>
2022			
<i>Asset/Liability class</i>			
Cash and cash equivalents	5,775	-	5,775
Receivables	5,922	114	6,036
Payables and borrowings (excluding deferred income)	(4,429)	(486)	(4,915)
Lease liabilities	(221)	(105)	(326)
Net maturities	<u>7,047</u>	<u>(477)</u>	<u>6,570</u>

Note 22. Commitments and contingencies

	Consolidated 30 June 2023 \$'000	30 June 2022 \$'000
<i>Capital expenditure projects</i>		
Within one year	2,911	3,944
One to five years	-	-
More than five years	-	-
	<u>2,911</u>	<u>3,944</u>

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

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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
Profit/(loss) after income tax (expense)/benefit for the year	2,075	(176)
Adjustments for:		
Depreciation	200	199
Amortisation	1,987	1,006
Net loss on disposal of plant and equipment	1	2
Share of loss in joint venture	-	249
Unrealised foreign currency net gain	(164)	(76)
Share options expensed	110	78
Notional interest expense	15	52
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	798	(2,821)
Increase in inventories	(4,229)	(1,384)
Decrease/(increase) in deferred tax assets	(140)	278
Increase in trade and other payables	318	2,813
Increase in employee benefits	235	2
Increase/(decrease) in provision for warranty costs	106	(16)
Increase in provision for stock obsolescence	1,103	120
Net cash from operating activities	<u>2,415</u>	<u>326</u>

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:

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
Short-term employee benefits	1,260	1,111
Post-employment benefits	106	104
Long-term benefits	24	15
Termination benefits	-	-
Share-based payments	110	46
	<u>1,500</u>	<u>1,276</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.

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Beam Communications Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
30 June 2023

Note 25. Share-based payments (continued)

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:

	30 June 2023 No.	WAEP \$	30 June 2022 No.	WAEP \$
Outstanding at the beginning of the financial year	1,130,798	-	-	-
Granted during the financial year	1,100,000	0.3000	1,130,798	0.3818
Lapsed during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Outstanding at the end of the financial year	<u>2,230,798</u>		<u>1,130,798</u>	
Outstanding at the date of this report	<u>2,230,798</u>		<u>1,130,798</u>	

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

Grant date	2 December 2022
Number of options	1,100,000
Expiry date	2 December 2024
Share price at grant date	0.2282
Exercise price	0.3000
Expected volatility	50%
Risk-free interest rate	2.85%
Dividend yield	0%
Fair value of option at grant date	0.0462

Other share-based payments

On 31 December 2022, 1,500,000 share options granted to Peak Asset Management Pty Ltd on 30 November 2020 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:

	Consolidated	
	30 June 2023 \$'000	30 June 2022 \$'000
<i>Audit services</i>		
Audit or review of the financial statements	<u>110</u>	<u>80</u>

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.

Beam Communications Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
30 June 2023

Note 27. Related party transactions (continued)

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

	Consolidated	
	30 June 2023	30 June 2022
	\$'000	\$'000
Profit/(loss) after income tax attributable to the owners	2,075	(176)
Profit/(loss) after income tax attributable to the owners used in calculating diluted earnings per share	<u>2,075</u>	<u>(176)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>86,421,921</u>	<u>81,674,718</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>86,421,921</u>	<u>81,674,718</u>
Options have not been considered in the dilutive earnings per share calculation due to the average market price being less than the exercisable price.		
	Cents	Cents
Basic earnings per share	2.40	(0.22)
Diluted earnings per share	2.40	(0.22)

Note 29. Parent entity information

Statement of profit or loss and other comprehensive income

	Parent	Parent
	30 June 2023	30 June 2022
	\$'000	\$'000
Loss from continuing operations	(1,414)	(1,177)
Tax benefit/(expense)	140	(287)
Loss for the year attributable to owners of the Company	<u>(1,274)</u>	<u>(1,464)</u>
Other comprehensive income	-	-
Total loss and other comprehensive income for the year attributable to owners of the Company	<u>(1,274)</u>	<u>(1,464)</u>

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Beam Communications Holdings Limited
NOTES TO THE FINANCIAL STATEMENTS
30 June 2023

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 30 June 2023 \$	Parent 30 June 2022 \$
Assets		
Current assets	7,332	5,149
Non-current assets	643	608
Total assets	<u>7,975</u>	<u>5,757</u>
Liabilities		
Current liabilities	(4,894)	(1,448)
Non-current liabilities	(80)	(153)
Total liabilities	<u>(4,974)</u>	<u>(1,601)</u>
Net assets	<u>3,001</u>	<u>4,156</u>
Equity		
Issued capital	17,375	17,375
Reserves	188	163
Accumulated losses	<u>(14,562)</u>	<u>(13,382)</u>
	<u>3,001</u>	<u>4,156</u>

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 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments

The parent entity had no capital commitments as at 30 June 2023 and 30 June 2022.

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 / Country of incorporation	Ownership interest	
		30 June 2023 %	30 June 2022 %
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%
Pacarc (PNG) Limited (Dormant)	Papua New Guinea	100.00%	100.00%

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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.

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Beam Communications Holdings Limited
DIRECTORS' DECLARATION
30 June 2023

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 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mr Simon Wallace
Chairman

30 August 2023

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RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000

F +61(0) 3 9286 8199

www.rsm.com.au

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 2023, 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 significant accounting policies, 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 2023 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.

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Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed this matter
Impairment of Intangible Assets Refer to Note 14 in the financial statements	
<p>The Group has intangible assets of \$8.9m, being capitalised development costs relating to multiple projects.</p> <p>Management have performed an impairment assessment for material project assets 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 where any indicators of impairment existed, 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 in relation to intangible assets included:</p> <ul style="list-style-type: none"> Assessing management's review for any indicators of impairment; Where indicators existed, 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; Challenging the reasonableness of key assumptions, including the cash flow and revenue projections, exchange rates, discount rates, and any sensitivities used; 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 Reviewing the adequacy of disclosures against the requirements of AASB 136.

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 2023, 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.

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. 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 2023.

In our opinion, the Remuneration Report of Beam Communications Holdings Limited., for the year ended 30 June 2023, 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.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN
Partner

Melbourne, VIC
Dated: 30 August 2023



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SECURITY HOLDER INFORMATION

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

As at 7 August 2023:

TOP 20 SHAREHOLDERS

	Number held	% 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	4,869,400	5.63%
Michael Capocchi	3,124,320	3.62%
HSBC Custody Nominees	3,053,590	3.53%
Dr Malaka Ameratunga	2,100,000	2.43%
Artpreciation Pty Ltd	1,798,632	2.08%
Vincent Galante	1,720,922	1.99%
Catch 88 Pty Ltd	1,456,070	1.68%
BNP Paribas Nominees	1,332,975	1.54%
Hotton Family	1,116,730	1.29%
Snowball Asset Management	1,046,851	1.21%
Christopher Silvestro	1,000,000	1.16%
Tom Bekiaris	911,835	1.06%
G Chan Pension Pty Ltd	849,752	0.98%
Paul Riethmaier	842,591	0.97%
Alan Berrick	697,955	0.81%
Citicorp Nominees	633,897	0.73%
Rapaki Pty Ltd	626,473	0.72%
Total Top 20	52,131,125	60.32%
Total Issued	86,421,921	100.00%

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 \$ 0.19	2,632
Holders	416
Shares	343,326
% Total Issued	0.40%

DISTRIBUTION OF SHARES

Ranges	Number of holders	% of total shares issued
1 to 1,000	277	22%
1,001 to 5,000	298	24%
5,001 to 10,000	159	13%
10,001 to 100,000	399	32%
100,001 and over	100	8%
Total number of holders	1,233	100%

VOTING RIGHTS

There are 86,421,921 ordinary fully paid shares held by 1,233 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 1,233 shareholders; and 4,471,703 unlisted options with varying expiry and prices:
- B. 200,000 Unlisted options @\$0.53 each expiring 1 February 2025
- C. 3,340,905 Unlisted options @\$1.00 each expiring 1 December 2023
- D. 400,000 Unlisted options @\$0.35 each expiring 23 December 2026
- E. 530,798 Unlisted options @\$0.35 each expiring 31 August 2026

20+ YEARS

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Beam Communications Holdings Limited
ABN: 39 010 568 804

5/8 Anzed Court,
Mulgrave, Victoria
Australia 3170

Phone: +61 3 8561 4200
Email: investor@beamcommunications.com
Website: beamcommunications.com



Beam Communications Pty Ltd
ABN: 97 103 107 919

5/8 Anzed Court,
Mulgrave, Victoria
Australia 3170

Phone: +61 3 8588 4500
Email: info@beamcommunications.com
Website: beamcommunications.com



Beam Communications USA Inc.
Delaware Corporation No. 5228652

C/- Martensen Wright PC
One Capitol Mall, Suite 670
Sacramento, CA 95814 USA

Phone: +1 800 250 5819 (USA only)
Email: info@beamcommunications.com
Website: beamcommunications.com



SatPhone Shop Pty Ltd
ABN: 40 099 121 276

5/8 Anzed Court,
Mulgrave, Victoria
Australia 3170

Phone: 1300 368 611
Email: info@satphoneshop.com
Website: satphoneshop.com



SatPhonerental Pty Ltd
ABN: 18 114 959 992

5/8 Anzed Court,
Mulgrave, Victoria
Australia 3170

Phone: 1300 368 611
Email: rentals@satphoneshop.com
Website: satphonerentals.com