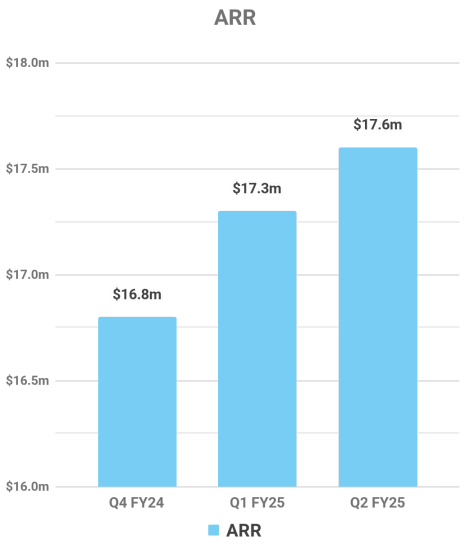
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Growing ARR and margin expansion propel Beonic towards profitability

Q2 FY25 Highlights

- Recurring Revenue of $4.4m (+5.3% vs PCP[1]) and Annualised Recurring Revenue (ARR) of $17.6m[2] (+4.3% vs PCP).
- Strong and sustained YTD gross margin of 77.4%, a notable improvement compared to the FY24 gross margin of 68.5%. This reflects our ongoing efforts to enhance profitability and progress towards cashflow breakeven.
- Q2 FY25 net cash outflow from operations of $725k and was positively impacted by $632k in R&D costs capitalised in accordance with AASB 138.
- Cash costs related to staff and administration improved to $3.0m (as detailed in the Appendix 4C), reflecting a $0.5m reduction compared to the previous corresponding period (PCP). This reflects the positive impact of ongoing cost reduction initiatives.
- During the quarter, $725k in shares and attaching options related to the two-tranche placement that had been offered earlier in 2024 (refer to ASX release 19 June 2024) were committed to be sold to the other, non-related party investors who participated in the placement, on a pro-rata basis (refer to ASX release 20 December 2024), and the full amount of the $725k commitment was received in January 2025.
- Key contract wins this quarter include JFK (USA), Cooperativa Veiling Holambra (Brazil), and LaTrobe City (APAC). Notable renewals were also secured with Heathrow Airport (UK), Dasa (BR) and The Trafford Centre (UK).



- Beonic has appointed Marc Thompson as Chief Technology Officer, effective 10 February 2025. Marc joins Beonic following a successful exit from his previous company, NewBook, where he served as CTO.
- Post quarter end, Michael Pearce was appointed as Company Secretary, in addition to his current role as Chief Financial Officer.
- Beonic is excited to announce the launch of our Beonic Investor Hub, an interactive platform with a Q&A function created to enhance communication and boost engagement with current shareholders and potential investors.

Outlook

- Maintain strong YoY gross margin improvement (77.4% YTD v's 68.5% FY24) while progressing toward breakeven
- Currently forecasting cashflow breakeven from operating activities during H2, FY25

Business Priorities

- Beonic's priorities for the second half of FY25 centre on achieving financial stability while accelerating product adoption. Key priorities include:
  - Solidify Beonic's position as a global leader in IoT solutions, specifically for Airports and Retail sectors
  - Achieve financial stability through disciplined cost management and operational efficiency
  - Enhance product adoption by driving customer success initiatives and continued R&D investment
  - Deliver key projects with a focus on customer satisfaction and operational excellence, minimising customer churn and contraction
  - Secure new logos and maximise upsell opportunities to further strengthen the $4.4m recurring revenue and $17.6m ARR achieved this quarter
  - Accelerate pipeline conversion from the $28.7m qualified deal pipeline, supported by targeted sales initiatives
  - Stay lean and maintain agility, ensuring a strong competitive advantage in the market

[1] Previous corresponding period (PCP) is Q2 FY24
[2] Annual Recurring Revenue (ARR) based on monthly contracted recurring revenues as at 31 December 2024 multiplied by twelve months

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Commenting on the December 2024 Quarter, Beonic CEO, Billy Tucker said:

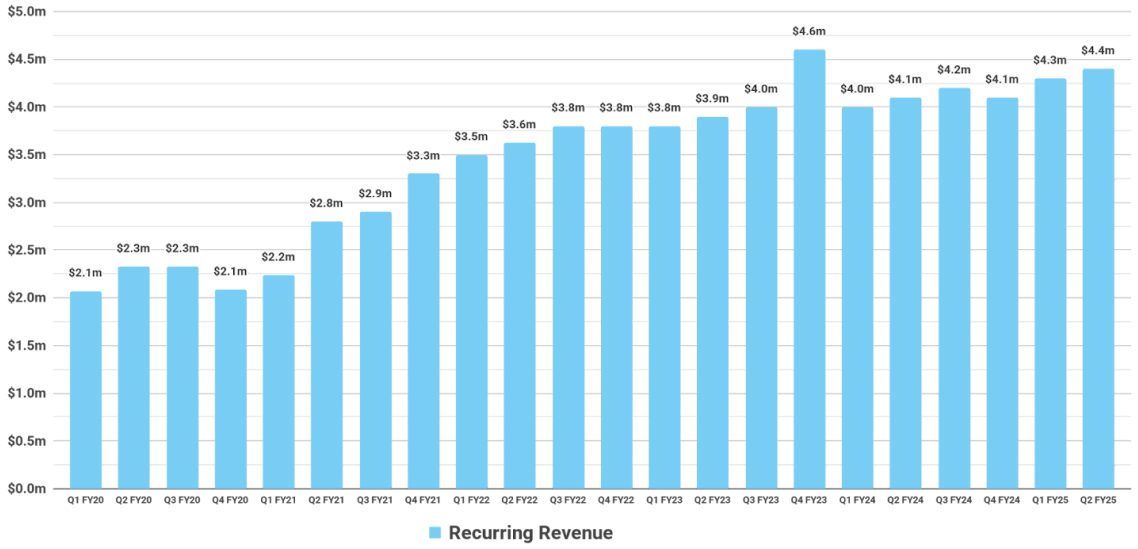


"The results for Q2 FY25 highlight Beonic's strong progress in executing our strategic priorities. The sustained gross margin improvement to 77.4%, coupled with a disciplined approach to cost management, reflects our commitment to financial stability and profitability. Our growing recurring revenue base of $4.4 million this quarter, alongside key contract wins with partners like JFK and LaTrobe City, underscores the strength of our product and the value we bring to our target sectors.

I'm also excited to announce that Marc Thompson has been appointed as our new Chief Technology Officer, effective 10 February 2025. Marc joins Beonic after a successful exit from his previous company, NewBook, where he served as CTO. His expertise in driving innovation and scaling technology solutions will be instrumental as we continue to strengthen our product offering and deliver even greater value to our customers.

As we look ahead, we remain focused on accelerating product adoption, converting our robust $28.7 million deal pipeline, and delivering exceptional outcomes for our customers. With initiatives like the newly launched Beonic Investor Hub, we are also committed to enhancing shareholder engagement as we continue to build on our momentum and drive sustainable growth."

Revenue Performance by Quarter



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Key contract wins during the quarter

Beonic secured renewals and new contract wins during the quarter including:

Notable new contract wins this quarter

- **APAC:** Beonic deployed a visitor counting solution across 9 venues in the City of Latrobe, including libraries, service centres, and sporting venues. This enables better visitation management, cost control, and improved visitor experiences.
- **BR:** Beonic successfully completed the rollout with JCPM Group, the largest retail mall operator in northeast Brazil. Under a 3-year agreement, 8 malls are now operating on Beonic's advanced platform.
- **US:** Beonic secured a 3-year agreement with JFKIAT to expand its Passenger Flow Management System using Lidar technology. The upgrade increases coverage to newly constructed areas within the Delta One passenger journey, enhancing operational efficiency and elevating the passenger experience.
- **BR:** Beonic secured a contract with the largest flower cooperative in the city of Holambra/Sao Paulo. This location welcomes thousands of visitors to its flower farms and now offers a high quality Guest WiFi connection.
- **APAC**: Beonic secured a 3-year contract with the Museum of Australian Democracy (MoAD) to upgrade its people counting system, enabling visitor tracking and operational insights.

Notable new contract wins post end quarter

- **APAC:** Beonic secured a contract with Adelaide Airport to expand its Passenger Flow Management System to International Arrivals and Departures, enhancing passenger experience and optimizing staffing.
- **US:** Beonic secured a contract to expand its Queue Management System at Charlotte International Airport, adding a new checkpoint equipped with additional Lidar.
- **US:** Beonic secured a contract with Verizon to install Lidar at CHI Door manufacturing, integrating with '*Beonic Display*' to monitor forklift movements and provide real-time updates. This enhances safety and operational efficiency.

Notable renewals this quarter

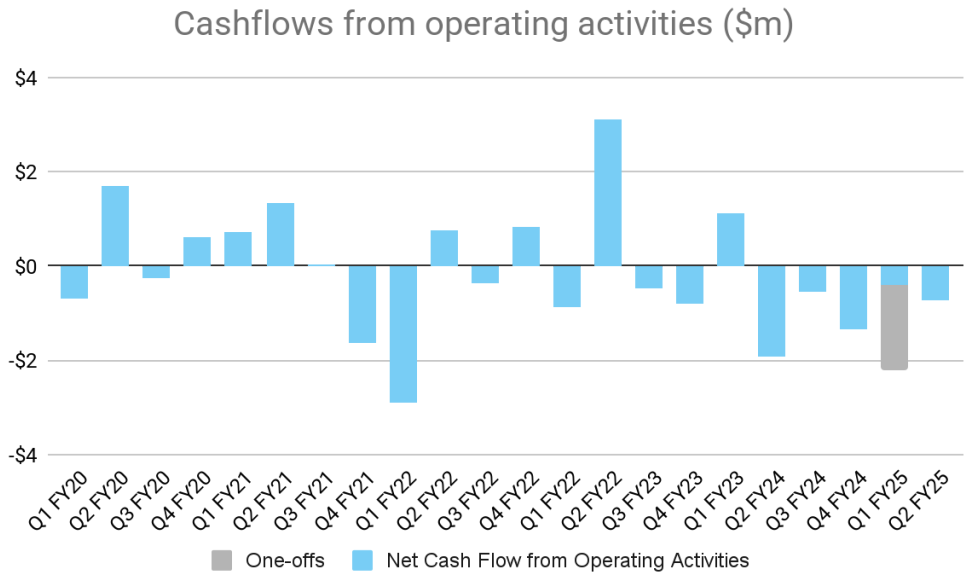
- **UK:** Beonic secured a 3-year renewal with Heathrow Airport for its passenger queue management system, utilising Beonic's camera-vision and LiDAR solutions.
- **UK:** Beonic secured a 12-month renewal with The Trafford Centre for its Guest WiFi analytics solution, supporting CRM, loyalty programs, and guest WiFi management.
- **APAC:** Beonic secured a 2-year contract renewal with Spark NZ, New Zealand's leading telecommunications and digital services provider, to continue delivering foot traffic analytics.
- **BR:** Beonic renewed its partnership with DASA, one of its largest customers in Brazil, operating 400+ venues. DASA is the country's leading clinical laboratory in healthcare.

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Net Cash Flow from Operating Activities and Balance Sheet Flexibility

Q2 FY25 net cash outflow from operations of $725k. Cash outflow from operations was positively impacted by capitalizing certain research and development costs incurred. We have performed a review of costs incurred for the first six months of FY25, in accordance with AASB 138, this review was predicated on improving our processes around documentation and time tracking capabilities for the product team. As a result, we calculated and capitalised $1.2m in internal R&D costs in the first 6 months of the year (i.e., $597k and $632k, in Q1 and Q2 FY25, respectively, as detailed in Appendix 4C).



The Company had USD $3.1m (~AUD $5.0m) of debt facilities at 31 December 2024 of which was fully drawn.

Corporate

Company Secretary Appointment

Post the end of the quarter, Beonic announced that Michael Pearce has been appointed as Company Secretary, effective immediately, in addition to his current role as Chief Financial Officer. Michael replaces Priyamvada (Pia) Rasal as Company Secretary. The Directors would like to thank Pia for her services to Beonic. For the purposes of ASX Listing Rule 12.6, Michael Pearce will be the person responsible for communications between the Company and ASX.

Launching Beonic Investor Hub

Beonic is pleased to announce the launch of its dedicated Investor Hub, a centralised platform designed to enhance transparency and provide investors with access to the latest company updates during this period of strong growth.

The Investor Hub will feature regularly updated content, including:

- Videos accompanying key announcements
- Updates on business developments
- Interviews with senior leadership

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This initiative reflects Beonic's commitment to keeping shareholders informed and engaged. Shareholders are invited to explore the Investor Hub and watch a welcome message from Beonic's CEO, Billy Tucker, here: Beonic Investor Hub.

Director Fees

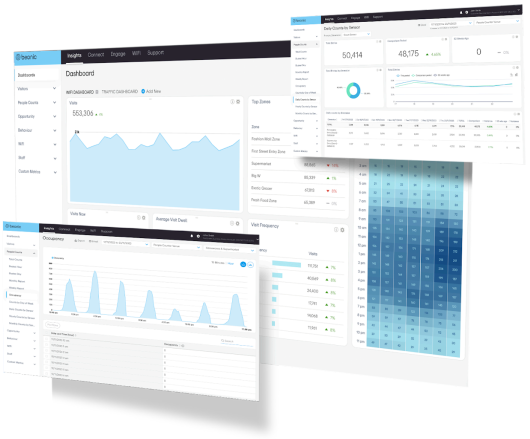
As noted in Section 6 of the Appendix 4C, the Directors' fees stated were made to the Directors of the entity during the quarter, consisting of salaries and fees for Executive and Non-Executive Directors, respectively. No other payments were made to any related parties or their associates of the entity.

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About Beonic

At Beonic, we create intelligent places with our AI-driven platform. Our technology transforms the places where people work, play, travel, shop and meet—optimising touchpoints, driving loyalty, and delivering differentiated experiences.



Our platform unifies your data points on one proprietary platform to give you the insights needed to solve the complex challenges of your present and future.

We ingest data from a diverse range of technologies including WiFi, Camera, People counting, LiDAR, CCTV and IoT devices. We combine these datasets with contextual data like weather, retail sales and sociodemographic to improve operational performance for retailers, airports, stadiums, smart cities and other public and commercial venues.

Beonic further augments insights generated by the platform with its data & marketing services offering: A team of data science and digital marketing consultants who help our clients harness more value from their data.

This announcement has been approved by Beonic Limited's Board.

Learn more at www.beonic.com or follow Beonic updates at https://au.linkedin.com/company/beonic

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Investors
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Company Secretary
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Appendix 4C

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

Name of entity

BEONIC LIMITED

ABN	**Quarter ended ("current quarter")**
20 009 264 699	31 DECEMBER 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	5,173	9,884
1.2	Payments for		
	(a) research and development	(154)	(154)
	(b) product manufacturing and operating costs	(2,209)	(4,202)
	(c) advertising and marketing	(181)	(331)
	(d) leased assets	-	-
	(e) staff costs	(2,963)	(6,218)
	(f) administration and corporate costs	(224)	(932)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	7
1.5	Interest and other costs of finance paid	(167)	(351)
1.6	Income taxes paid	(3)	(52)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(725)**	**(2,348)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(45)	(85)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) investments	-	-
	(e) intellectual property	(632)	(1,229)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(677)**	**(1,314)**
3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	125	3,336
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(279)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(350)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**125**	**2,707**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**	2,968	2,730

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.1	Cash and cash equivalents at beginning of period		
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(725)	(2,348)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(677)	(1,314)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	125	2,707
4.5	Effect of movement in exchange rates on cash held	182	98
4.6	**Cash and cash equivalents at end of period**	**1,873**	**1,873**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,873	1,873
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,873**	**1,873**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	65
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	4,976	4,976

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7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	4,976	4,976
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 Blue Venshures SPV 1 LLC secured loan facility totalling USD $3,100,000 (~AUD $5.0m) commencing from 25 January 2024 and ending on 24 January 2026. The loan carries a 15% annual interest rate, with payments due quarterly. The principal amount is repayable at the conclusion of the two-year term. No financial covenants are attached.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(725)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,873
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,873
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.58

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

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

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

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025

Authorised by: The Board of Beonic Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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