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The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

## QUARTERLY MARKET UPDATE AND APPENDIX 4C

### Highlights:

- **Beam recorded its fifth consecutive quarter of positive operating cash flow with receipts from customers increasing by 17.3% over 1QFY21 to \$4.9m**
- **Strong cash position of over \$4.4m following the capital raising to fund growth**
- **Beam received record ZOLEO order in the quarter as demand for the device accelerates**
- **New major retail partners started selling ZOLEO in the quarter, including Anaconda Australia, Kogan, Wesfarmers' Catch.com and MEC of Canada**
- **ZOLEO awarded "Product of the Year" by North America's largest outdoor trade show organiser – its 4<sup>th</sup> industry award**
- **Strong growth momentum expected to continue across ZOLEO, SatPhone Shop and Beam's other core business**

**Beam Communications Holdings Ltd** (ASX: BCC, "Beam" or the "Company") is pleased to provide its quarterly update along with commentary on its Appendix 4C for the three months to 31 December 2020.

### Summary of cash position

The Company's cash holdings at the end of the quarter were \$4.43 million, an increase of \$3.47 million over the previous quarter's \$960,000. The recent capital raising and positive operating cash flow for the quarter contributed to the higher cash balance.

Beam's positive operating cash flow of \$60,000 (excluding ZOLEO subscription revenue) marks its fifth consecutive quarter of net operating cash inflows from its usual business activities.

Gross debt decreased significantly after the Company repaid high-interest loans totalling circa \$1.1 million from SGV1 Holdings Limited and DEK Technologies Pty Ltd.

### Operating activities

Beam's primary business continues to be on the development and sale of innovative portable satellite communication devices to Australian and international markets.

Sales at SatPhone Shop and Beam's other core business continued to grow in the December quarter while Beam focused on increasing market penetration of ZOLEO, which is gaining both positive user reviews and industry recognition.

The Company recorded a net operating cash inflow in the second quarter of FY2021 with receipts from customers increasing to \$4.87 million from \$4.15 million in the previous quarter. The cash flow figure does not include ZOLEO subscription revenues as that is recognised by the joint venture entity.

The federal government's COVID-19 support packages contributed \$97,000 to the Company's cash position in the latest quarter. The largest expenses were for product manufacturing and operating costs (\$3.69 million) and staff costs (\$1.11 million). Beam is no longer eligible for JobKeeper, given its resurgent revenues.

Beam received its largest order for the Beam-designed and built device from its joint venture entity during the December quarter. This takes the total number of ZOLEO devices ordered since its launch in January 2020 to around 35,000 units. As at the end of the quarter, Beam had invoiced and shipped 21,932 ZOLEO units to ZOLEO Inc, with the remaining to be invoiced by April.

To put this in context, it took more than six years for Beam to receive its 50,000<sup>th</sup> order of its Iridium GO! device, which is one of Iridium Communications Inc's (NASDAQ: IRDM) most successful products.

A number of key retailers have also signed up to sell ZOLEO during the quarter. This included Australia's largest outdoor adventure and sports superstore, Anaconda, major Canadian outdoor retailer Mountain Equipment Co-op (MEC) and leading online retailers Kogan.com Ltd and Wesfarmers Ltd's Catch.com.

Beam is confident that the growth momentum for ZOLEO will continue into 2021 and beyond.

### **Investing and financing activities**

Beam raised \$5.32 million (before costs) from institutional and sophisticated investors during the December quarter via a share placement, which saw demand heavily exceeding expectations.

The proceeds from the capital raise will be used to fund the global ramp-up of ZOLEO, repay and close high-interest loan facilities, develop new Iridium Certus<sup>®</sup> devices, support the appointment of new national retailers in Australia and focus on some direct opportunities for the use of satellite-reliant devices and technology in disaster relief and emergency management.

The Company capitalised \$623,000 in product development costs relating to the new Iridium Certus<sup>®</sup> devices and enhancement work on ZOLEO during the quarter.

**Other significant events**

Post the December quarter, ZOLEO secured its fourth major industry award when it was selected as “Product of the Year” by Outdoor Retailer, which is North America’s largest tradeshow organiser for the outdoor industry.

The award is one of the most coveted in the industry and ZOLEO beat 189 entrants and 34 finalists to claim the top honour this year.

Yours faithfully,



Michael Capocchi  
Managing Director

For media and investor enquiries please contact:

Brendon Lau

e: [brendon.lau@beamcommunications.com](mailto:brendon.lau@beamcommunications.com)

m: 0409 341 613

**About Beam Communications Limited**

Beam Communications Holdings Limited is an Australian publicly-listed company (ASX:BCC) that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment applications and services. Its products and services are adopted by some of the world’s largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat & Thuraya, to fill the global needs of Information Communication & Technology markets. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd [www.satphoneshop.com](http://www.satphoneshop.com). For more information, visit [www.beamcommunications.com](http://www.beamcommunications.com).

**About ZOLEO Inc.**

Formed in 2018 and headquartered in Toronto, Canada, ZOLEO Inc. is a joint venture between Beam Communication Pty. Ltd. and Roadpost Inc. that is pioneering the development of innovative lower cost, consumer-oriented global messaging solutions, including innovative wireless devices and apps based on Iridium short burst data (SBD), cellular and Wi-Fi standards. The company serves three primary markets including consumers residing on the fringe of cellular coverage, outdoor recreation and lone worker safety. Its products are offered through authorised retailers in the US, Canada and Australia. Roadpost is responsible for retail distribution in North America and Beam is responsible for the Asia Pacific region. Staged distribution in other regions will be jointly managed. For more information visit [www.zoleo.com](http://www.zoleo.com).