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Australian Securities Exchange Limited

LARGE RISE IN QUARTERLY SALES RECEIPTS AND ZOLEO ANZ SUBSCRIPTIONS AS BEAM INCREASES INVESTMENT TO SECURE FUTURE GROWTH

Highlights:

- **March quarter customer receipts jumped by 55% over pcp to \$7.3m**
- **Net ZOLEO ANZ subscriber growth increased by 26% in the quarter and demand is starting to reaccelerate following COVID-19 disruptions**
- **Significant prepayment to secure components for future production**
- **Total available funds (cash plus unused and available debt) stand at a robust \$7.9m**
- **SatPhone Shop recorded growth of 14% vs. pcp**
- **Strong earnings outlook for Beam with ZOLEO's imminent European launch and ongoing buoyant demand for personal comms equipment**

Beam Communications Holdings Ltd (ASX: BCC, "Beam" or the "Company") is pleased to provide its quarterly update and commentary on its Appendix 4C for the three months to 31 March 2022.

Summary of cash position

Beam's customer receipts jumped 55% over the previous corresponding period (**pcp**) to \$7.3 million (and +19% over 2QFY22) even as the total cash position at the end of the quarter fell to \$6.2 million (vs. \$8.4 million in the previous quarter).

The decrease in cash is primarily due to one-off prepayments to secure components for future production and mitigate supply disruptions during these volatile times, while development costs associated with the new Iridium Certus® device that Beam is bringing to market also contributed to the lower cash balance.



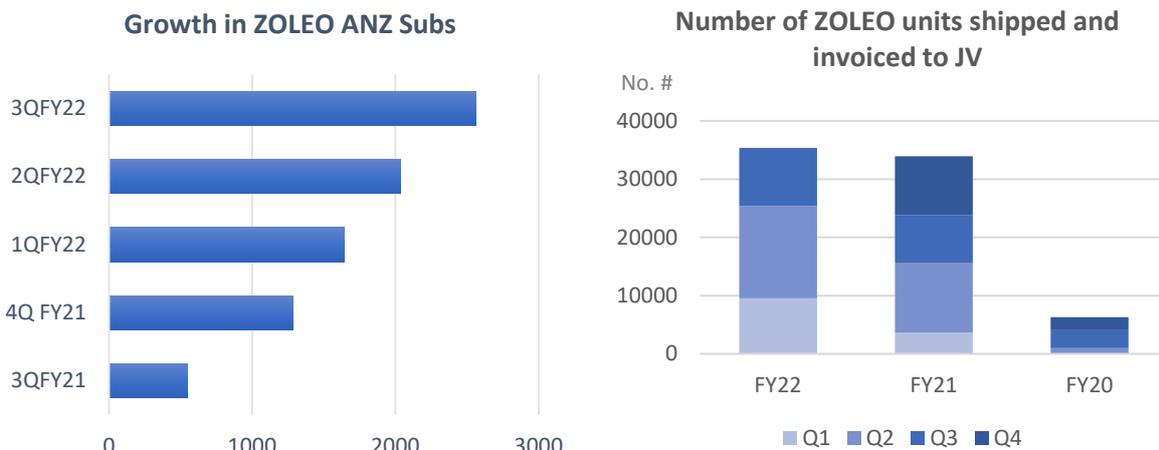
The move to secure future growth contributed to a \$1.5 million cash outflow from operating activities in the March quarter. This level of investment is expected to moderate in the following quarters.

Beam's total available funding as of 31 March 2022 stands at \$7.9 million, which includes \$1.7 million in available, but undrawn, debt facilities.

Operating activities

The increase in customer receipts was driven by robust growth across Beam's key divisions, including ZOLEO.

Net ZOLEO subscriber growth in Australia and New Zealand in 3QFY22 increased by 26% over the previous quarter to 2,562. What is particularly pleasing is that nearly half of the increase in Australian subscribers during the quarter occurred in the month of March, as sales of the seamless global messaging solution reaccelerated following the disruptions caused by COVID-19 restrictions. This momentum is continuing into April and ZOLEO's ANZ monthly churn rate has also declined to around 2%.



Beam received orders for 20,824 ZOLEO devices in 3QFY22 and has shipped and invoiced 10,000 ZOLEO units in the quarter with the total number of devices delivered this financial year (35,354 units) already exceeding the whole of FY2021.

More leading Australian retailers have also signed up to sell ZOLEO during the quarter. Some examples include **Bapcor Limited's** (ASX: BAP) Autobarn chain with over 130 stores nationwide and leading RV/camping equipment group **Leisure-Tec Australia**, which is part of Truma Gerätetechnik GmbH & Co. KG.

The outlook for ZOLEO is very bright with the expansion of its retail network and the imminent launch of the multi-award-winning solution into the UK and Europe, which is now confirmed for early May.

Separately, Beam's SatPhone Shop business recorded a 14% jump in sales in 2QFY2022 when compared to the pcp.

The largest outflow of cash from operating activities are product manufacturing and operating costs of \$7 million (+52% over 2QFY22) with much of the increase relating to the prepayment of components (as explained above) and staff costs of \$1.4 million.

Investing and financing activities

During the March quarter, Beam capitalised \$731,000 in product development costs relating to the new Iridium Certus[®] devices and ZOLEO product enhancements.

There was no cash movement for financing activities during the period and the Company did not receive any research and development grants from the federal government during the quarter. The FY21 R&D lodgement is expected to be completed shortly.

Yours faithfully,



Michael Capocchi
Managing Director

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About Beam Communications Holdings Limited

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



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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.