

30 April 2020

The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

## MARKET AND COVID-19 UPDATE

### Highlights:

- **Beam's total available funds at 31 March stood at \$3.6 million, including \$800k in cash**
- **ZOLEO now sold through major retailers including Cabela's Canada, which is part of the world's largest outdoor recreation merchandise retail group**
- **Further orders from China and India for Beam-branded equipment in March quarter**
- **Positive medium-term outlook as Beam is well positioned to benefit from global recovery**

**Beam Communications Holdings Ltd** (ASX: BCC) is providing a quarterly update along with its Appendix 4C for the three months to 31 March 2020.

The company's total available funds as at 31 March 2020 were \$3.6 million, which is made up of \$800,000 in cash and \$2.8 million in accessible debt facilities.

### Activities in the quarter

The most significant achievement for our business since the start of the 2020 calendar year was the launch of ZOLEO in late January. The seamless global messaging and personal safety solution for smartphone users, offering Beam both hardware sales and recurring airtime revenues, went on sale in Australia and in North America. Sales in North America are managed by Roadpost Inc., our JV Partner in Zoleo Inc.

Roadpost signed a reseller agreement with Cabela's Canada, part of BPS Direct, LLC (Bass Pro Shops), a retail conglomerate that is the world's largest outdoor recreation merchandise retailer. Cabela's will sell ZOLEO in its 11 mega stores in Canada and through [Cabela's website](#) and mail-order catalogue.

ZOLEO, which is anticipated to generate significant recurring revenues for the JV partners over the medium-term, is also sold through key online channels like Amazon.com, eBay and Myer.com. Consumers in Australia can purchase the device through LiTMUS LAB in Myer's flagship stores, when they reopen.

Further, Beam secured additional orders in the recent period from key partners in India and China for Beam-branded satellite equipment. Station Satcom purchased more of Beam's Inmarsat terminals for the Indian market and indicated it is likely to order more equipment as it is quoting on various government projects in that country.

Beijing Marine Communications & Navigation Company (MCN) also placed a follow-on order for the Beam designed and developed Oceana 800 satellite terminals.

Another recent notable event was the signing of a global reseller agreement with Pivotal Satellite Pty Ltd, which will enable Pivotal to sell Beam-branded satellite and 4G LTE equipment through its network of 200 dealers across North and South America, Indonesia, Australia and New Zealand.

## **COVID-19 update**

In the face of the unprecedented global COVID-19 pandemic, Beam's first priority is for the safety of employees, customers and other stakeholders.

While the company believes it is better placed than many to withstand the economic fallout from COVID-19 for the long term, purchasing decisions have clearly moderated amidst the uncertainty and reduced mobility of our clients that has characterised this period. Accordingly, it is anticipated that gross revenues in the current quarter (Q4FY20) will be materially impacted compared to the prior corresponding period, although it is too early to quantify the impact.

To better position the Company in this dynamic environment, Beam has implemented a business-wide salary reduction of 20% for an estimated 6-month period starting in May, while total payments to our Non-executive Directors will be reduced by over 70%. The Company has also moved to curb operating expenses in other areas, such as advertising and marketing and non-core development work.

Pleasingly, Beam's supply chain remains largely unaffected to date, as announced in February, and the Company continues to develop and manufacture equipment to fulfil existing customer orders.

Beam is confident that sales of ZOLEO and its other equipment will rebound once social controls are eased. Management will continue to monitor the situation closely and take appropriate steps as necessary to ensure that the Company remains adequately funded to maintain our key investment priorities and exit this period with a sustainable and growing business.

Yours faithfully,



Michael Capocchi  
Managing Director

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## **About Beam Communications Holdings Limited**

Beam Communications Holdings Limited (formerly World Reach Limited) is an Australian publicly-listed company 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).