

30 July 2020

The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

## QUARTERLY MARKET UPDATE AND APPENDIX 4C

### Highlights:

- **Total cash at end of June quarter stood at \$874k after significant investment in new product development and ZOLEO launch (vs. \$806k in 3QFY20)**
- **Beam's total available funds (undrawn debt and cash) currently stands at \$4.2m**
- **Sales of ZOLEO in North America performing well while sales in Australia are gaining ground following COVID-19 impact**
- **More major retailers in both regions are expected to stock ZOLEO over coming weeks**

**Beam Communications Holdings Ltd** (ASX: BCC) is providing a quarterly update along with commentary on its Appendix 4C, which will be issued following this announcement, for the three months to 30 June 2020.

### Summary of cash position

The company's cash holdings at the end of 30 June 2020 was \$874,000, following a quarter which saw a significant increase in investments to support newly released products, as well as those now in development. This compares to a cash position of \$806,000 held at the end of the previous quarter.

The additional investments related to the launch of ZOLEO and the development of next generation products for the upgraded Iridium satellite network, which supports data speeds that are more than 35 times faster than the previous generation of devices.

Beam's total available funds from undrawn debt and cash currently stands at \$4.2 million after National Australia Bank expanded its available facilities in early July by \$500,000.

### COVID-19 update

Conditions created by the COVID-19 pandemic remain highly fluid and are constantly evolving. However, Beam is cautiously optimistic as sales have largely rebounded from the initial COVID-19 nationwide shutdown and the second lockdown of parts of Victoria has not thus far had a material impact on sales when compared with our expectations.

While gross revenues for the June quarter were lower than management's pre-coronavirus estimates, the impact of COVID-19 has not thus far been as severe as our revised modelling had contemplated.

Since the start of June, Beam has also observed a notable improvement in interest from Australian consumers for ZOLEO and the inclination and incentive for consumers to pursue more solitary leisure activities, away from crowded centres. This bodes well for the outlook for satellite communication devices.

### **Operating activities**

Net operating cash flow increased to \$834,000 in the fourth quarter. Beam received a second order for 5,000 ZOLEO units from ZOLEO Inc., a 50-50 joint venture between Beam and Roadpost Inc. Most of the devices were earmarked for the North American market to meet good demand in that territory.

This was followed up with a third order for the same number of units a month and a half later in July when it became apparent that stocks of ZOLEO in North America needed to be replenished to meet demand.

ZOLEO Inc. is expected to sign other major retailers in Australia and North America to resell the device over the coming weeks as the Beam-developed solution continues to receive effusive media coverage and user reviews of its functionality and, importantly, its reliability.

Beam also received a further order for its Inmarsat terminals and accessories in April from its Indian partner, Station Satcom, followed by another order in July after Station Satcom successfully tendered for a new Indian government project.

Beam expects to receive additional orders if Station Satcom is successful in securing further government tenders for which it is currently tendering.

Changes in operating cash flow also reflected fluctuations in monthly trading activities and the timing of customer orders and payments.

### **Investing activities**

During the quarter to 30 June 2020, Beam invested \$584,000, of which \$573,000 related to capitalised product development costs.



**Beam Communications Holdings Limited**

ABN 39 010 568 804

5/8 Anzed Court, Mulgrave,  
Victoria, Australia 3170

T +61 3 8561 4200

F +61 3 9560 9055

investor@beamcommunications.com

www.beamcommunications.com

## **Financing activities**

Beam recorded \$182,000 in financing costs for the quarter, relating to its share of operating costs for the ZOLEO Inc. joint venture.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Michael Capocchi".

Michael Capocchi  
Managing Director

For media and investor enquiries please contact:

Brendon Lau

e: [brendon@vantagepointpartners.com.au](mailto:brendon@vantagepointpartners.com.au)

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).