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The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

## QUARTERLY MARKET UPDATE AND APPENDIX 4C

### Highlights:

- **Beam recorded its fourth consecutive quarter of positive operating cash flow**
- **Cash receipts of \$4.2m vs. \$2.5m in the same quarter last year, representing strong underlying growth in the business**
- **Beam received its largest order for ZOLEO so far**
- **NASDAQ-listed Iridium's latest quarterly results noted a strong increase in global demand for personal satellite devices due to COVID-19 and highlighted ZOLEO's promising outlook**
- **ZOLEO won ABA100 award – its third industry award since launch in late January**
- **Beam secured its eighth Iridium GO! order which takes total number of units ordered to 50,000**
- **Focus this quarter is on driving sales in Australia with easing of lockdowns and the development of new Iridium Certus<sup>®</sup> devices**
- **Strong cash position with total available facilities and cash of \$3.6 million as at 30 September 2020, after which Beam received an additional \$3.3 million from the share placement in October 2020**

**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 30 September 2020.

### Summary of cash position

The Company's cash holdings at the end of the quarter were \$960,000, an increase on the \$874,000 for the previous quarter.

Beam also posted a positive operating cash flow of \$152,000 in the September quarter, its fourth consecutive quarter with net operating cash inflows.

Total available funds from undrawn debt and cash stood at \$3.6 million on September 30, although its cash position increased by an additional \$3.3 million in October following the Company's successful capital raising (placement) announced on 12 October 2020.

Beam will receive a further \$2 million in December from the placement, subject to shareholder approval.

## **Operating activities**

Beam recorded a net operating cash inflow in the first quarter of FY2021 with receipts from customers increasing to \$4.2 million from \$2.5 million during the same period last year.

The federal government's COVID-19 support packages contributed \$352,000 to our cash position in the latest quarter.

The largest expenses were for product manufacturing and operating costs (\$3.4 million) and staff costs (\$875,000) as the Company continued to prioritise growing ZOLEO sales and subscriptions given the positive outlook for mobile satellite solutions (see next section for details).

During the quarter, Beam received an order for 7,750 units of ZOLEO – its largest order to date for the unique seamless global messaging solution. The Company expects to ship this last order by the end of November, taking the total number of delivered ZOLEO devices to 22,000.

This makes ZOLEO the most successful Beam designed and developed innovation to date, given that the solution was only officially launched at the end of January 2020.

Further, ZOLEO won its third industry award in the short time it has been in the market after it was crowned the ABA100 Winner in The Australian Business Awards 2020 in the New Product Innovation category.

The other two awards that ZOLEO won are the ACOMM 2020 award (Innovation – SME category) and 2020 Top Mobility User Experience Innovation Award granted by the Mobile Satellite Users Association (MSUA).

Beam also achieved another significant milestone in the period when it secured its eighth order of Iridium GO!, which takes the total number of the portable hotspot device to 50,000 since its launch in 2014.

## **Positive outlook for satellite personal communications devices (PCDs)**

NASDAQ-listed Iridium Communications Inc released its quarterly results on 20 October 2020 and Beam noted the following public transcripts from the earnings call.

Iridium said that appetite for consumer personal communications devices (PCDs) continued to rise as it recorded a meaningful increase in activations of PCDs. Iridium believes that COVID-19 is one of the drivers of this trend with consumers seeking to socially distance during the pandemic, while still remaining contactable.

“I think it was the strong summer usage of those devices, as people got out and they couldn't travel to exotic locations, they were certainly at least getting off-grid,” said Iridium's Chief Executive Officer, Matt Desch.

“And it's also representing the fact that there's just more and more devices out there... and we see a number of new partners that are showing some success, particularly there's one called ZOLEO.”

Further, Iridium analysed its network usage at top US state parks and found that traffic data jumped by around 26% over last year.

Beam believes Australia will see a similar trend during the Southern Hemisphere summer and that ZOLEO and Iridium GO! are perfectly placed to capitalise on the opportunity.

### **Investing and financing activities**

The Company expensed \$566,000 in capitalised product development costs relating to ZOLEO and new Iridium Certus<sup>®</sup> devices during the quarter.

Beam also received a \$500,000 loan from National Australia Bank on 1 July, 2020. This is a three-year term facility, part secured by the Australian government under its COVID-19 relief program and attracting an interest rate of 4.5%.

Beam plans to repay and terminate its high-interest, secured loan facility provided by SGV1 Holdings, as mentioned this month in its \$5 million capital raising announcement.

Yours faithfully,



Michael Capocchi  
Managing Director

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### **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



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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](http://www.zoleo.com).