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The Manager  
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Australian Securities Exchange Limited

## **QUARTERLY ACTIVITIES UPDATE: FURTHER GROWTH IN CASH POSITION**

### **Highlights:**

- **Cash holdings increased by >\$100,000 to \$4.5 million in the March quarter**
- **Customer receipts jumped by 24.5% compared to 3QFY2020 with Beam recording its sixth consecutive quarter of positive operating cash flows**
- **Near three-fold increase in sales of ZOLEO (vs. pcg) and overall organic growth in Beam's business contributed to the result, not including ZOLEO subscription revenues (recorded by the ZOLEO Inc JV entity)**
- **ZOLEO sales via Anaconda accelerating following its successful Easter promotion**
- **Over 25 other independent dealers are selling ZOLEO with >100 stores carrying the multi award-winning device in Australia alone**

**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 March 2021.

### **Summary of cash position**

The Company's cash holdings at the end of the quarter increased by more than \$100,000 to \$4.5 million when compared to those at 31 December 2020 and receipts from customers jumped by 24.5% (compared to Q3 in FY20) to \$4.7 million.

The growth in customer receipts allowed Beam to record its sixth consecutive quarter of positive operating cash flows from its usual business activities.

Total funds available to Beam stood at \$5.3 million at the end of March, including \$720,000 in undrawn overdraft facilities.

### **Operating activities**

Beam's primary business continues to be focused on the development and sales of innovative portable satellite communication devices globally.

A near three-fold increase in the sales of ZOLEO and growth in Beam's underlying core business contributed to the increase in cash receipts in the March quarter compared to the previous corresponding period (pcg).

The Company recorded a net operating cash inflow of \$64,000 in 3QFY2021, even though it did not receive any government COVID-19 support payments, unlike in the previous quarter.

This latest quarterly revenue result also does not include ZOLEO subscription revenues, which are recorded by the ZOLEO joint venture entity, but does include the contribution Beam received from ZOLEO subscriptions generated in Beam's distributor territory.

The largest expenses in the period were for product manufacturing and operating costs (\$3.3 million) and staff costs (\$1.2 million).

Another notable milestone achieved in the quarter was Beam receiving its sixth order for 12,500 ZOLEO units. This takes the total number of devices ordered to date to around 47,000 units.

Beam has also received multiple repeat orders for ZOLEO from Anaconda Group following the success of Anaconda's Easter sales promotion.

The Company has currently signed up more than 25 other independent dealers across the country, which brings the total number of stores selling ZOLEO to over 100 in Australia alone.

Beam is confident of achieving further growth momentum for ZOLEO and is close to securing another large national retailer to carry the multi award-winning device.

#### **Investing and financing activities**

Beam repaid \$50,000 of its secured debt to NAB and capitalised \$595,000 in product development costs relating to the new Iridium Certus® devices and ZOLEO product enhancements during the March quarter.

The company continues to invest in improving the ZOLEO product offering with enhanced features that will generate additional subscription revenues per subscriber.

Further planning and investment are also underway on developing the go-to-market strategies, systems and infrastructure to launch ZOLEO into Europe and Asia following the success of the product to date. Beam anticipates that ZOLEO will expand into these new markets in early 2022.

The Company also received a Research and Development (R&D) grant worth \$690,000 (related to FY2019) from the federal government in the period.

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 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).