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The Manager
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QUARTERLY UPDATE: GROWTH IN CASH FLOWS AND ZOLEO SUBSCRIBERS

Highlights:

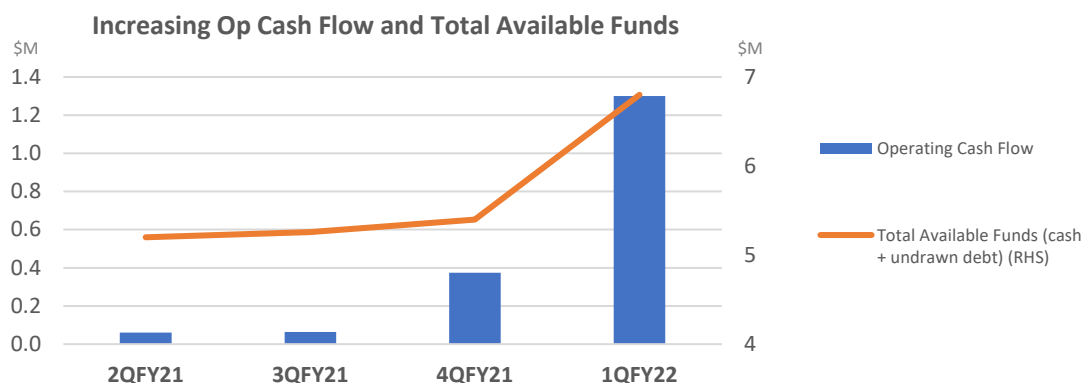
- Cash holdings jumped 38% over previous quarter to over \$5m
- Operating cash flow increased 260% in 1QFY22 vs 4QFY21
- Growth in ZOLEO receipts and improved sales in key parts of Beam’s business
- SatPhone Shop Revenues up 47% & Beam-branded equipment sales increased 33% on PCP
- Shipment of Iridium GO! devices more than doubled vs. previous quarter and committed open orders stand at 15,000 units
- ANZ ZOLEO subscribers increased 28% even in the face of harsh lockdowns in its biggest markets (NSW, VIC and Auckland)
- Growth in ANZ ZOLEO subscribers expected to reaccelerate as NSW and VIC emerge from lockdowns

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 2021.

Summary of cash position

The Company’s total cash position at the end of the quarter was \$5.1 million, a 37.5% increase over that held at the end of the previous quarter. Beam’s total available cash, which included \$1.7 million in available but undrawn debt facilities, stood at \$6.8 million at the end of September.

Net operating cash inflows for Q1FY2022 continued to improve to \$1.3 million, compared with \$374,000 in the previous quarter.

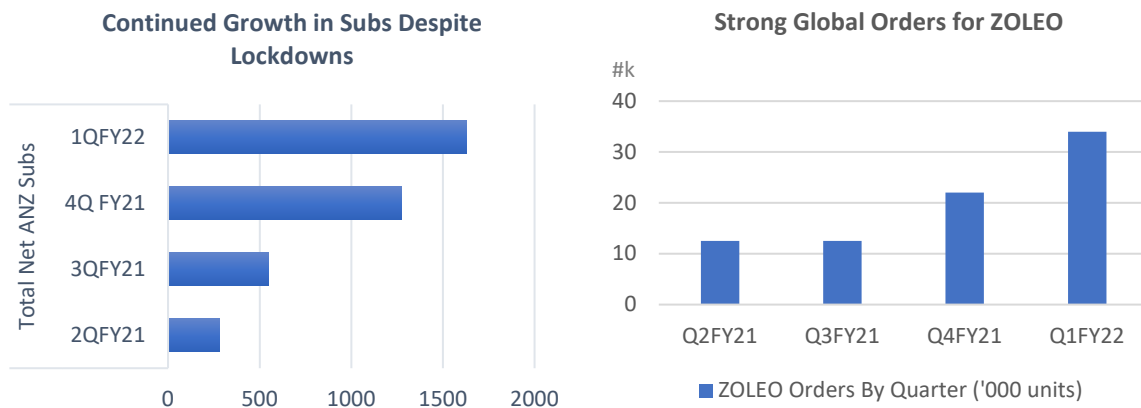


Operating activities

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

The continued increase in operating cash inflow was driven by a 48.3% increase in receipts from customers to \$6.1 million in the quarter when compared to the same period last year. Receipts from ZOLEO Inc. (including royalty payments and hardware sales) and growth in sales across other key parts of the Group contributed to the improved cash position.

The number of net ZOLEO subscribers in Beam's territory of Australia and New Zealand increased by 28% to 1,640 in the three months to end September even as some of its largest markets were in lockdown due to the COVID-19 Delta outbreak. These include Victoria, New South Wales and Auckland, New Zealand.



Net subscriber growth would be materially higher if not for the Australian and New Zealand lockdowns, which impacted in two ways. Firstly, there was an abnormal, but temporary, increase in the number of cancellations of Australian and New Zealand subscriptions (175 cancellations in the quarter vs. an average of ~20). Secondly, the number of new subscribers would also have been higher if not for the restrictions on movement in those key markets.

However, as NSW and Victoria emerge from their lockdowns, Beam expects ZOLEO subscriber growth to reaccelerate in the leadup to Christmas and summer activities.

Additionally, Beam received record quarterly orders for 33,980 ZOLEO devices from its joint venture entity, ZOLEO Inc.

Meanwhile, Beam's SatPhone Shop business recorded a 47% jump in sales in 1QFY2022 when compared to the previous corresponding period (**pcp**), while sales of Beam-branded equipment increased by a third vs. **pcp**.

During the quarter, Beam also shipped 1,691 Iridium GO! devices to its long-standing partner **Iridium Communications Inc** (NASDAQ: IRDM), which represented a 125% increase over the previous quarter, and received a record order of 7,500 units of the popular satellite hotspot device in July.

Iridium placed an unscheduled additional order for 5,000 devices in September to meet continuous consumer demand for Iridium GO!. The total number of open and committed orders for the device that Beam has yet to invoice currently stands at 15,000 units.

Other noteworthy events in the period include Beam's partnership with world leading action camera company **GoPro, Inc.** for the next ZOLEO promotional campaign and the launch of ZOLEO into the New Zealand market in August.

Investing and financing activities

During the September quarter, Beam capitalised \$655,000 in product development costs relating to the new Iridium Certus® devices and ZOLEO product enhancements. The Company also received \$712,000 in a research and development grant from the federal government.

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. For more information, visit 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.