

**ASX ANNOUNCEMENT****21 September 2023****ZOLEO INC. JOINT VENTURE OWNERSHIP**

**Beam Communications Holdings Ltd** (ASX: BCC, “Beam” or the “Company”), today provides an update on **ZOLEO Inc.**, the joint venture (“JV”) vehicle incorporated in Canada and equally owned by the Company and its JV partner, **Roadpost Inc** (“Roadpost”).

The ZOLEO product is an important offering within the Beam portfolio of mobile satellite devices / services. As of 19 September 2023, there were ~80,000 subscribing ZOLEO customers, providing consistent and significant recurring revenues to the JV. It’s continued and increasing success as a product is indisputable.

**Ownership of ZOLEO Inc.**

In recent months, amid increasing and consequential differences of opinion between the JV partners as to ZOLEO Inc.’s operations, governance and ambitions, it has become apparent to Beam’s board, two members of which also serve as directors of the JV, that it is in the best interests of both Beam and ZOLEO Inc. for the ownership of the JV to reside with just one of the JV’s existing shareholders.

The parties have attempted to negotiate the terms under which this would occur, but to date those discussions have not resulted in an agreement.

**Arbitration**

Although any joint venture’s partners may sometimes have opposing views as to the respective priorities of each partner, the ongoing lack of alignment between the owners of ZOLEO Inc. is entirely unacceptable to Beam. The Company advises that formal proceedings between the JV parties, to be held before a Canadian arbitrator, have commenced. This action, pleasingly, will facilitate the resolution of the parties’ matters of dispute and, we expect, the ownership of the JV.

The Company regards as objectively compelling its claim that Roadpost has, through its acts, conduct and omissions, details of which would be unwise to reveal in this announcement, breached various and essential terms of the Joint Venture Agreement between the parties, thereby availing Beam of certain rights and remedies. Beam’s obligations to its shareholders demands that these rights be prosecuted against Roadpost and we enter the arbitration process willingly and confidently.

As this matter, which may take until H2 of the 2024FY to resolve, proceeds to its conclusion Beam’s nominee directors to the JV will continue to act professionally, competently and enthusiastically in the performance of their roles and duties.

Importantly, the operational performance of ZOLEO Inc. is not anticipated to be adversely affected by this action and each JV participant retains both the obligation and the incentive to optimise ZOLEO’s continued success. Furthermore, no alteration to Beam’s forward guidance is either necessary or provided as a result of this matter.

### **Prospective Outcomes**

While any dispute necessarily brings an element of uncertainty, Beam believes that following the conclusion of the formal process, one of two possible outcomes is likely:

1. Beam will become the 100% owner of Zoleo Inc; or
2. Beam will divest and crystallise its 50% share of the JV to Roadpost.

Beam Chairman, Simon Wallace, said:

*“While the attempts by Roadpost and Beam to agree the terms of either party’s acquisition or disposition of their respective JV interests have, to date, been unsuccessful, we look forward to advocating vehemently Beam’s robust legal position before an independent third party.*

*“It is in the clear interests of our shareholders to resolve the ownership of the JV and entering this arbitration process is both a responsible and essential course of action.”*

Beam is being advised by Salter Brothers Capital, Thomson Geer and Stikeman Elliott.

As a result of this announcement, Beam further advises that legal restrictions on directors trading shares in the Company, which have been in place for some time, are now lifted.

This announcement has been approved by the Board of Directors.

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### **About Beam Communications Holdings 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. Beam has developed several world-first innovations and its products and services are adopted by some of the world’s largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat and Thuraya. Beam also developed the multi-award winning ZOLEO device, which generates recurring subscription revenues for the Group. 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).